

Committee on local gov't

SENATE LOCAL GOVERNMENT SUBCOMMITTEE
ON
LAND USE PLANNING

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Held In
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Friday, October 18, 1974
9:30 O'clock, A.M.

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Land Util. CA

SUBJECT: Proposed legislation and alternative
models for long-range statewide land
use planning.

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M E M B E R S O F T H E S U B C O M M I T T E E

Senator Nicholas C. Petris, Chairman

Senator Arlen Gregorio

Senator Milton Marks

Senator John A. Nejedly

Senator Albert S. Rodda

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Stephen L. Taber Consultant

Richard L. Harriman, Research Assistant

Susan Carter, Legislative Intern

Guy Guttadauro, Legislative Intern

Kaye Packard, Secretary

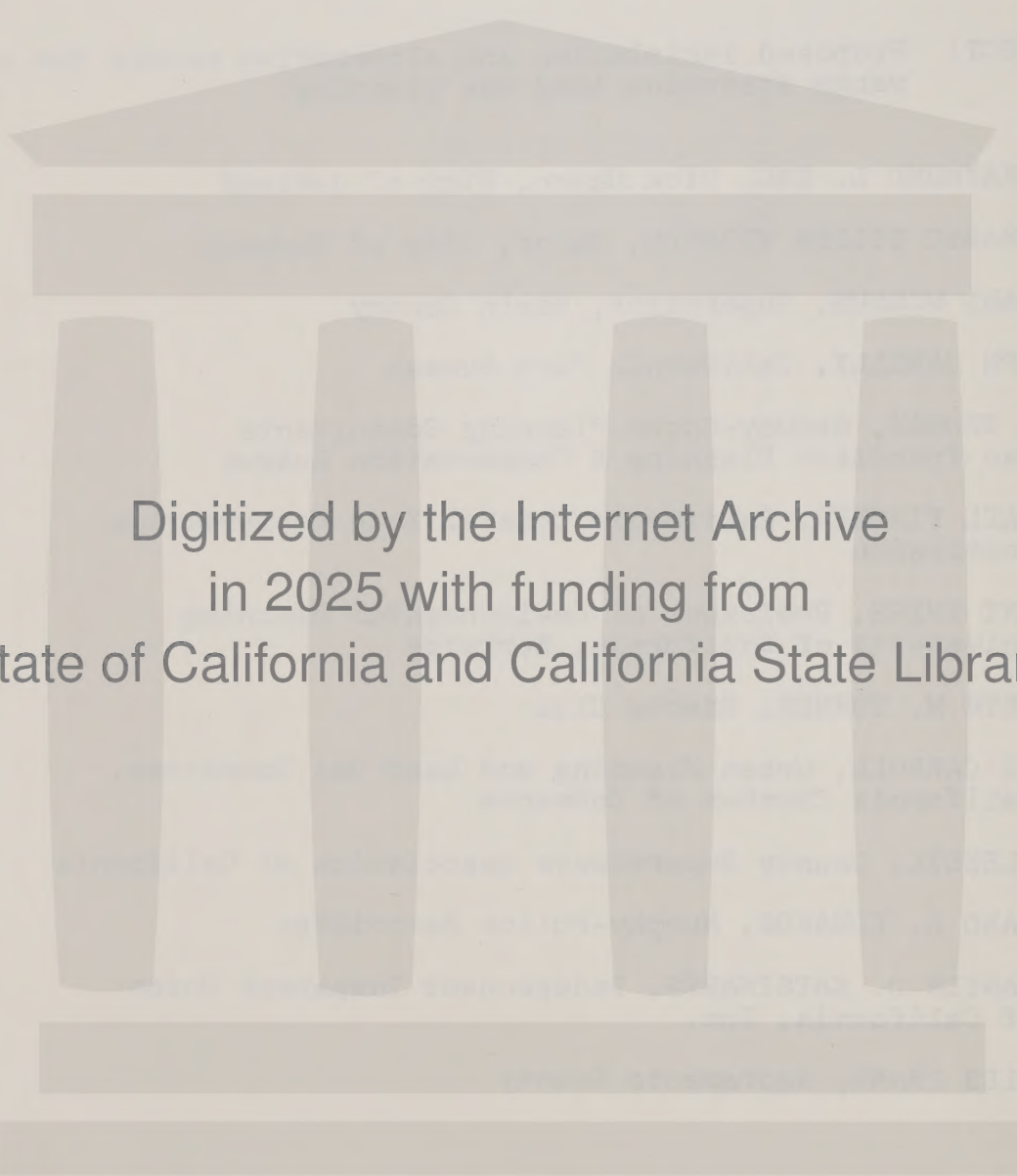
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Senate Local Government Committee Subcommittee on Land Use Planning

SUBJECT: Proposed legislation and alternative models for long-range statewide land use planning.

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HEARING OF
THE SENATE COMMITTEE ON LOCAL GOVERNMENT
SUBCOMMITTEE ON LAND USE PLANNING
OCTOBER 18, 1974

CHAIRMAN PETRIS: We want to welcome all of you who are here today, and I want to start by introducing my colleagues.

First of all, my name is Nicholas C. Petris, I am a member of the committee and chairman of the subcommittee. We have with us Senator Albert Rodda of Sacramento, who has served in the Senate for a good number of years, and is very, very much interested in local government problems and statewide planning problems, and has been on the committee for a good number of years.

We also have Senator Arlen Gregorio of San Mateo County, who was chairman of another subcommittee on the different aspects of planning, which completed its work this year.

We have a special counsel, Mr. Richard Harriman, who has joined us for a limited period of time and is heading the staff work. We have other staff members who Mr. Harriman will introduce in a moment.

We also have some interns who work with the State. I want the people here to know about it because we get a lot

of publicity about various aspects of State work, State staffing and State employees, but I haven't seen any publicity devoted to volunteers. Most of them are college students, some of them doing graduate work, some of them doing undergraduate work, who spend an enormous amount of time in legislative and other State offices helping us out, and they never get paid anything. Sometimes they get credit for the work at school when they happen to be working in a field which is related to their major, but just as often they don't get any credit at all.

We have some of the interns here. I'm not sure I know all of them, so I am going to ask Mr. Harriman, on my left, to introduce all the staff members and the interns. If they are in the audience I want them to stand and be recognized, then we'll get on with the hearing.

RICHARD HARRIMAN: Thank you, Senator. I'd like to ask the interns who are working with the committee to stand as I say their names. The unpaid interns do not get transportation, usually, and so several of them have not come down to the committee, though they do work with me up in Sacramento. I'd like to ask the other interns who work with the committee to stand up, please. Miss Judy Ronningen, who is an intern with the Local Government Committee; Guy Gattadauro, who is an intern with the

Subcommittee on Land Use Planning and Sue Carter, who is also an intern with the subcommittee. To my left is the consultant to the Local Government Committee, Steven Taber, and the committee secretary, Kaye Packard. Thank you.

CHAIRMAN PETRIS: I have a brief opening statement after which we'll call on our witnesses.

This subcommittee was formed by Senator Milton Marks, the Chairman of the overall committee, at my request, because of the fact that I had carried for a number of sessions a rather ambitious long-range plan for the State of California, which I called the 100-year plan. It caused some dismay among some of my opponents as I was running for election each time, because they felt the public might feel obligated to keep me in office 100 years to make sure the plan was carried out. However, the approach has been materially changed, we got a lot of ideas from other people on the outside. But my purpose at the time I first introduced this several years ago was to assess the damage that had been done by all of us to the State of California either through acts of commission or omission, as the phrase goes, because of our policy or lack of policy over the past 100 years.

One of the common bases of criticism of public officials is the lack of foresight, first of all, and,

secondly, we are often criticized for criticizing others and having a lot of Monday morning quarterback sessions pointing out to people what should have been done by looking at the past. And I thought that this made an awful lot of sense to simply look back 100 years or so and take inventory and see one of the things with respect to the use of land, land use planning and many other things associated with it that should have been done, that were not done, that would have made this state a much better place in which to live than it is now because of those problems. And then simply turn around and project ourselves ahead another 100 years and ask ourselves, what will be asked about us 100 years from now, and what will be the criticisms made of our policy or our lack of policy 100 years from now by people who are standing in the same shoes that we are now. Basically, that's the reason the committee was created, to find out how we can improve our entire state in land use planning and so many other things that go with it. You can't plan for land use without taking energy into account, without taking commerce, industry and navigation, and everything else. So it's really a massive undertaking with a tremendous amount of responsibility.

In order to become more fully informed, the subcommittee is holding a series of hearings of which this is

the second. The first one was in Sacramento. Our primary objective is to examine the current planning processes and to identify the problems or the difficulties, and to seek legislative proposals for the establishment of an improved State planning process.

The specific purpose of today's hearing is to elicit suggestions and recommendations as to the kind of long range, statewide land use planning processes that should be adopted by the Legislature. From testimony presented at the first hearing held by the subcommittee, we learned that the State's current planning efforts have been, and still remain, grossly inadequate. Therefore I'd like to encourage today's witnesses to share with us their most imaginative and creative ideas and projections of what might constitute an ideal long range, statewide planning process.

Recognizing that some of you have had rather short notice of today's hearing, I'd like to direct your attention to the major issues with which this subcommittee is vitally concerned which is summarized in the general interrogatory. I think we have some of those available for people who are in attendance and for the witnesses. With this focus in mind, I'd like to invite the first witness to come forward.

We have a list of witnesses in a certain order, but we are not bound to stick to that order.

We are honored to have with us at this time Vice Mayor of Oakland, Honorable Dr. Ray Eng. I am going to ask Dr. Eng to go on first for two reasons. He is officially representing the City, and he has many other duties this morning, foremost of which is to be present at the local happenings honoring the regained world championship that has now come to Oakland for the third year in a row by the Oakland "A's." So, we don't want to delay him all morning, we can send him the minutes of the meeting, but he ought to be able to spring loose as soon as he can. So we are honored to have Dr. Eng. If he'd come forward and make whatever comment he'd like at this time, or if he'd rather wait for a witness or two, we will leave it up to him. Will your Honor come forward now?

I want to point out to all the witnesses that all the testimony is being recorded so that we can transcribe all of this or parts of this later on, as the committee deems necessary in the preparation of our report.

DR. RAYMOND L. ENG: Distinguished members of the Senate Local Government Subcommittee on Land Use Planning assembled here this morning, and dedicated people out here, my remarks will be very brief this morning. I would like

to extend greetings on behalf of Mayor John Reading, our City Council and the City Administration to the wonderfully dedicated people that come here to our great city of action and home of champions.

I am sure in this City of action, this City of Oakland here, a lot of good will come of this hearing because I can see the faces smiling and the dedication to plan to improve our State planning use, and this is planning for the future and looking ahead.

I know with such thinking, paralleled with the City of Oakland's thinking, Alameda County and our State, certainly with dedicated people like you out there, that is, government, just plain volunteers, graduate students, people that want to help, this will be a better place to live for all people to come -- our future generations. And I think you are here today to do a good job at this hearing and all learn something. At that point, I want to thank you all for the privilege of saying a few words to you on behalf of the City of Oakland, and may the good Lord bless you and everything that comes out of here today will benefit all of us and our future generations. Thank you very much, gentlemen.

CHAIRMAN PETRIS: Thank you, Dr. Eng.

Now we are going to ask the Honorable Eileen Weinreb, who is the Mayor of the City of Hayward, and appearing in

that capacity and also as spokesman for the League of California Cities.

William Kaiser, who is with the League, may want to join you.

EILEEN WEINREB: I don't think he is going to be able to come down.

Gentlemen, committee, I am going to speak basically about the action plan of the League, which has been developed over the past year and a half, to speak to long range problems in California.

The League of California Cities is a non-partisan, non-profit corporation owned, organized and operated by the cities of the State. Membership is voluntary, although all 411 California cities are members of it. The League serves as the clearinghouse for information about cities; it responds to thousands of administrative and legal inquiries; sponsors conferences and institutes; publishes reports, etc.

In 1973 the League celebrated its 75th Diamond Anniversary. Rather than devoting the year to looking at past achievements, cities took the opportunity presented by this occasion to undertake a fundamental and comprehensive evaluation of cities and the role cities should play in the next two decades. What will be the governmental needs of an urban population a decade from now? Which of these needs

should be served by local government? What form should this local government take? How can local government plan to meet both the physical and social needs of its citizens? What is the most equitable revenue base to finance local government? These basic questions form the starting point of a year-long effort on the part of city officials to determine the cities' response, and at the same time create policies which would guide cities in the coming years.

Four basic problem-issue areas were identified:

- 1) Environmental control and land use authority.
- 2) Social responsibility of cities.
- 3) Public service employee relations.
- 4) An adequate and equitable revenue base.

The process of developing the action plan involved hundreds of city officials. The result of this year-long effort is not only a statement by city officials about what cities should look like, and be like, and be doing in the next decade, but also a practical and realistic guide for immediate action in every level of government.

I am just going to speak about one of those four areas today, and that is, concern with environment and land use.

The quality of our environment is a critical problem. Air, water and noise pollution, loss of open space and the

preservation of unique and important natural resources are crucial issues in many California cities.

Environmental quality problems have increased people's interest in how land is used because many specific environmental problems are land use problems (e.g., coastline protection) and because there is an increase in recognition of the relationship between land use and pollution problems. Thus, a new subdivision, freeway or shopping center attracts more people with more cars, and with present technology may increase air pollution.

Solutions to environmental problems are important because they have significant effects upon economic development, housing, employment, social services and transportation. The new subdivision which may increase air pollution also increases jobs as well as providing housing.

In the past, while environmental problems have emphasized the importance of land use, the recent and rapid increase in the growth of the State's population has also contributed to an increased interest in land use regulation. And even though we are increasing at a much smaller rate, the projections are still that we will increase and therefore there will be more pressure in the area of land use.

There is a need for change at various governmental levels.

LOCALLY: Presently cities do not have the authority to regulate control growth on their borders where sprawl and development of poor quality most often occurs. They cannot annex territories which politically, socially and economically should be part of the city. They cannot require new developments to pay the full costs of city services.

IN AREAS: Presently there is no mechanism which can, in a comprehensive fashion, resolve problems which transcend local boundaries but do not require uniform statewide solutions. We have voluntary agencies such as ABAG. We do not have anything beyond that. Cars and freeways which have enabled people to commute to work over longer distances have also contributed to the loss of open space and increased pollution. These problems and the transportation system which exacerbates them cannot be solved by local government alone, yet we feel it should not and need not be transferred to the State -- not totally at least. Governmental action should be kept as close to the people as possible, and we'll see that theme in our entire action plan.

AT THE STATE LEVEL: Presently the State has no means of coordinating pollution control regulations with each other and with land use and transportation decisions. No

process exists which allows the State to protect lands which are clearly of statewide importance or to encourage the preservation of productive resources.

Finally, there is no means whereby decisions by local, area, and State bodies are integrated into one comprehensive planning system which has the capacity to consider social and economic as well as environmental policies.

To date, government at all levels has responded in piecemeal fashion. Both federal and state governments have passed environmental quality acts which require that the environmental effects of a project be considered by governmental bodies before the project is approved. The Environmental Protection Agency regulations require review of certain land use decisions in order to enforce the Federal Clean Air Act, but that's only one act that's obviously of environmental concern.

At the state level there have been a number of states that have passed legislation which increases state participation in certain land use decisions -- Florida, Wisconsin. I won't go through them, you know them very well.

At the local level in California, many cities are reassessing their long-range goals. Cities are revising their comprehensive plans to accommodate lower growth projections. They are attempting to regulate growth in a

more systematic way, both geographically and according to time schedules. In addition, they are trying to relate proposals for development to the city's ability to supply needed services.

Yet none of this legislation enables governments at all levels to integrate environmental, social and economic policies. In order to manage change, government must be able to plan comprehensively. The League's Action Plan creates an inter-governmental planning process to manage this change and establish a general policy to guide it.

I'll speak first of what we are proposing for the statewide comprehensive planning procedure.

An efficient road system is composed of city streets which join highways which are important to an entire county, which in turn join freeways which are important to the entire state. Similarly, the successful management of our environment and use of land requires an integrated and comprehensive planning process involving government at the local, area and state level. This process does not now exist.

One example, the building of a state freeway or a regional transit system may affect the living patterns of thousands of people and make previously worthless lands valuable or previously valuable land worth much less.

Another example, a local community may decide to develop and thereby change the character of an area which citizens of the entire state consider unique, important and worthy of preserving.

A process must be established in which different interests can be heard and which allows state, area and local bodies to plan together and consider the impact of all decisions on people.

This process must reflect the fact that the vast majority of governmental decisions involving land use do not have significant effect on people outside the boundary of a single local government. State government or area organizations should only be involved when important State or areawide problems exist. If time-consuming procedures which require action by regional and State agencies on matters of only local significance, then the cost of all development, including housing, will be substantially increased. Even more important, people would lose and unnecessarily lose control over their own lives. A problem ought to be solved at the level which is as close to the people as possible and yet get the job done.

The Action Plan establishes this kind of process. The State, with substantial local input, will establish a broad planning framework composed of pollution standards,

holding capacity policies, areas of state environmental concern and urban and rural delineation. Within this framework cities and counties will create their own plans. Environmental impact reports would indicate the effects of the plans on the environment. Specific development proposals will be judged on the basis of their consistency with the general Environmental Impact Report, while the EIR which accompanies each project would have to contain only the additional specific information not found in the general EIR, thus eliminating duplicating and unnecessary cost. These local plans will be sent to areawide planning councils which will coordinate and resolve inconsistencies among city, county, district and state plans. An area plan will be created which would be based on the local plans and will also accommodate areawide needs. The area councils will transmit their plans to the State Council which will coordinate and resolve inconsistencies among the areas. The State Council will then develop a State Resources and Conservation and Development Plan for submission to the Legislature for adoption. The State Plan based on local plans will be reviewed on a regular basis. It will reflect the inextricable intertwining between the protection of the environment and the broad determination of land use.

I have here in some detail about the actual function

of the State Coordinating Council which we are proposing, but I'll hand it in to you, I will not attempt to go into detail now.

Let me simply say that the Governor would share it. It would include heads of the major agencies whose actions affect land use, it would contain the heads of major pollution control agencies, and it would contain people who would have come up by the area councils that would be sent up to represent their area. So that it would, we feel, contain people who have a local area and statewide view of the needs of land use and environmental protection in California.

Let me go on just to land use control in urban areas where there is local responsibility and the kinds of needs that we see local government has and the kinds of tools we need to do a good job at the local level.

If planning in our urban communities is to be effective and if the inhabitants of these communities are to be able to exercise control over the future of their communities, then the planning regulations must include all those who constitute the urban communities.

Presently much development occurs just outside of the city's boundaries and therefore beyond its authority to regulate. To avoid city restrictions and to find land at

lower prices, developers often develop land in locations on the urban fringe beyond the areas of most logical development. Schools and roads are often inadequate to serve this isolated population and other services such as water and sewer can be abnormally expensive because the development is far from existing facilities. Additionally, once in existence, this development determines the kinds of uses which will be made of surrounding land, thus depriving the city of the opportunity to plan not only this particular development, but the entire area.

Another concern is that development outside the city may affect the value and use of a piece of property which is near or adjacent to it but which was within the city. In addition, inhabitants of urban unincorporated areas often use city parks, libraries and streets and receive police and fire protection without paying the full cost of these services. All this results from the very character and size of an urban community being determined by forces beyond the control of the city around which the urban communities forms and without which it could not take place.

The Action Plan gives to the cities and to the urban communities the tools to plan and influence their future. All urban areas of this state should be either within the

boundaries of the city or placed under a city's sphere of influence. A sphere of influence is a plan for the probable ultimate fiscal boundaries and service area of the local government.

These are the specific planning tools that we feel we need to implement this general policy:

Cities should have the authority to zone outside their boundaries but within their sphere of influence. Without the power to zone, cities would be influenced by but have little influence over development on its borders.

Cities should have the authority and responsibility to prohibit the delivery of public services, such as water and sewer, to propose urban development which is within its sphere of influence but which is not approved in the city's plan. Thus, development in the sphere of influence would have to be consistent with the city's plan.

Cities should also have the authority to impose an "availability" or "standby" tax for urban services available to land within the city's sphere of influence.

Lastly, as a corollary, cities or counties should be able to exempt planned rural areas from urban taxes. Since land is presently taxed according to its highest and best use, undeveloped land near urban areas which potentially could be developed is heavily taxed. High

taxes make holding the land in a rural state uneconomical and increases the pressure to develop the land. Taxation policies should support, not subvert land use planning policies. If we designate certain areas as rural and undeveloped, we should not and need not tax these lands for their developed potential. The Williamson Act helps, but by itself it is not sufficient.

Another area related to this is annexation reform. Within the sphere of influence a uniform annexation law should be adopted which would authorize cities to annex the following types of land which lie within their sphere of influence:

- 1) Any land which is developed.
- 2) Any land which is developing.
- 3) Any unincorporated island up to 250 acres regardless of whether developed or not.
- 4) Any land the annexation of which is determined by the council to be desirable or necessary by reason of detrimental land use or environmental situations.

These annexations will be subject to procedural requirements but would not require an election in the area to be annexed. The goal of the uniform annexation law would be to have the boundaries of the urban community reflect as nearly as possible the political, social and

economic realities of that community.

This authority to annex within its sphere of influence will give a city the ability to bring within its boundaries an area which is developing and because of its proximity should be part of the city.

Cities should annex developed areas in their spheres of influence if the Local Agency Formation Commission (LAFCO) determines the annexation is proper. Logical boundaries will include areas which may produce more problems than tax revenue, but if they are economically, socially and politically identified with the city, they should be part of it. In other words, cities have to accept the bad with the good.

While local government has the authority to control private land development, it has almost no voice in public development by federal and state agencies in special districts. This public development often determines that a basic land use pattern to which local government must adapt its services. The entire inter-governmental planning process depends upon the ability of cities to plan and regulate land use and urban development within the city and its sphere of influence. Just as these communities need to be able to plan and regulate the land contiguous to their boundaries if the plan is to reflect reality, so

must the ability to plan and regulate extend to county- and state-owned lands within their borders. Thus, cities should be able to plan for and regulate all new developments both public and private. Regulation would be consistent with the local plan which would reflect as a result of the planning process both area and statewide needs.

So we are not asking to regulate state land in a way that is determined to be detrimental to state use, but rather because it would all be part of an integrated process. The state lands which are within a city would be compatible with the local plan and the local community could determine that use.

Rapid growth has often prevented cities from continuing to provide an adequate level of public service. Citizens in many communities have cast a wary eye on the proposals for new developments unless certain that increased growth would not overload existing public services. The citizens of San Jose have passed an initiative which prohibits zoning for new development unless it is demonstrated that school facilities will not become overcrowded. To ensure that school, fire, police and other public facilities are adequate to serve the demands imposed by new growth and to make certain that new

development is paying a fair share of the cost of these facilities and increased services such as water, garbage and sewage, cities should have the authority to require developers to dedicate all public facilities sites necessary to serve the development.

In addition, cities should have expanded authority to impose taxes or fees on developments, including a real estate transfer tax, construction tax, because these are needed to fund public improvements and services of these areas, which will ultimately be a part of the city.

I will, again, not talk in any detail about area responsibility. What I think is important is the fact that any inconsistencies in local plans would be resolved at the area level. And I think this is a rather major forward look in step by the cities of California. We are recognizing that we must give up some authority if we are going to be able to retain and to gain the authority we need within our city boundary. We simply have to be able to have a body that is at a different level tell us "no" at times, when that particular development, although it might be in the best interest of a particular city, it would not be in the best interest of the area or the state. And we are willing to recognize that it has to be done.

SENATOR GREGORIO: When you say "resolving

inconsistencies," do you mean . . .

WEINREB: Between the plans of two cities, between the plans of the county and the cities . . .

SENATOR GREGORIO: Or between the goals of an area and the goals of the city.

WEINREB: That's correct.

SENATOR GREGORIO: Okay.

WEINREB: We also suggest a mechanism whereby the area -- what we'd call the Area Coordinating Council could be set up. We feel it should consist primarily of city and county elected officials. It should represent at least 50% of the cities, representing at least 50% of the municipal population in the area and 50% of the county. We are not saying that it has to be all locally elected officials, we say it should primarily locally elected officials.

SENATOR GREGORIO: How would Assembly Bill 2040 measure up?

WEINREB: It would have fit within it. That's 50%, and when we say primarily, I guess it could go down to 50%, certainly no lower than that.

There is one area that is relatively uncontroversial but it is important, that we feel we need the help from the state and from what we would call the professional

body that would be attached to a State Coordinating Council.

Good local area and state planning in the establishment of a process which relates to land use decisions and to pollution standards depends upon the availability of adequate data and technical assistance to all those participating in the planning process. Therefore the State Coordinating Council would have the responsibility of providing data and technical assistance to local governments and Area Coordinating Councils. This is necessary because some local governments do not have the staff or resources to accumulate all the needed information without duplication of efforts to obtain data or employ personnel is simply wasteful. Also, data should be in a standardized format so that it may be interchangeable and usable by everyone.

In conclusion, I would just like to say that the major goal of the planning process created by our Action Plan is to improve the quality of life in California. To accomplish this, the League's Action Plan establishes a comprehensive planning process which enables local, area and state officials to integrate social, economic and environmental policies. As one means of implementing this comprehensive approach, the social responsibilities of

the Action Plan also see the governmental structure which obligates State officials to respect local desires as expressed in local plans and which require that local plans reflect concerns and needs which are of area or statewide significance. It would function essentially the same way that the local, statewide and area coordinating land use council operates. Again, resolving inconsistencies and statewide guidelines coming down to the area and into the local government.

It is important that both the planning process and governmental structure are sufficiently flexible to respond to not only the immediate crisis and concerns of today, but also the basic problems. In the Action Plan flexibility and responsiveness are guaranteed because rather than creating single-purpose bodies to respond to current crisis, both the planning process and governmental structure are based upon general purpose, that is, multipurpose government.

It is the hope of city officials that the policies proposed by the Action Plan will be considered and acted upon as a whole. Legislation at the local, state and federal level is continually introduced to solve the individual land use environmental problems. It should now be clear that the piecemeal approach is neither conceptually

valid nor practical. We are beginning to understand that our actions, whether they be to advance social, economic or environmental goals, cannot be isolated and that how we use our land affects our environment, how we travel, where we live and work. Therefore to understand and to plan for the changes that will occur, we must design a comprehensive planning system which can include plans and decisions made at every level of government and which has the capacity and authority to respond to the needs of people. After all, that's what government ultimately is all about. Thank you, gentlemen.

VICE-CHAIRMAN GREGORIO: Senate Rodda, did you have any questions?

SENATOR RODDA: Just one about--do you have any idea of the approximate number of cities who are on their own and proceeding to limit growth in some way?

WEINREB: I am sorry, I don't.

SENATOR GREGORIO: You don't know the spectrum of number of different types of approaches in this?

WEINREB: No, only that this approach which we feel recognizes that growth must be planned for, and recognizes as well that it must be distributed in a metropolitan area is accepted by all the cities in California. At least it was a year ago when we adopted it.

SENATOR GREGORIO: Including Livermore and Petaluma, and so forth?

WEINREB: Yes.

SENATOR GREGORIO: Basically my question is directed to what's happening now independent of the enabling of this plan?

WEINREB: I think, actually, everything is pretty much suspended because there have been some court cases which throw in doubt the ability of a city to carry out policies which do limit their growth. We feel that it it's done within a metropolitan framework, so that we are not telling people "You can't come", and simply trying to determine on a rational basis where the new population ought to go, personally, I feel that would satisfy any legal concern. We do not feel this is a "Go away, we don't want you" kind of plan.

SENATOR GREGORIO: No, but my question is, if we have this kind of plan, what is the reaction in say, Livermore? I am familiar with Petaluma and I know that that is now on the appellate level. But say, what's happening in Livermore, what are they doing there? What's happening in the other cities where something already has been enacted by an ordinance or by some action of the people?

WEINREB: I do know at Livermore everything is at a standstill, as far as their action is concerned, because it has been challenged in the courts, and that's where it is. So they are not doing anything. I would say that if Livermore put a kind of limit on their population which was determined to be detrimental to the area as a whole, that would have to go.

SENATOR GREGORIO: Okay, so the areawide group under Assembly Bill 2040 or what else, might decide that Livermore is going to have more people than Livermore wants to have.

WEINREB: That's correct.

SENATOR GREGORIO: What would the state look like under the League's plan? How would you envision the ultimate development of the state under the League's plan, how would the state look like say, 20 years from now?

WEINREB: The state would be divided up into a number of areas, and some areas might choose not to form their own coordinating council, in which case the state would take on that responsibility. But every area of the state would be within either an Area Coordinating Council or would be directly regulated by the state. And then, of course, all the area plans would be coordinated at the state level.

SENATOR GREGORIO: If an area decided not to have its own council, then you are suggesting that the state should make the judgment about whether or not a city should be able to limit its growth or whether or not a city should have low-income housing, or . . .

WEINREB: That's correct.

SENATOR GREGORIO: And that should be done at the state level?

WEINREB: We, really, don't feel it should be, but we are not about to tell communities that they must form a council.

SENATOR GREGORIO: You are giving them another choice which may not be as attractive.

WEINREB: That's true, right. But we are saying that land use decisions are so important that no city, no county can opt to go some way without being coordinated into an overall structure, because it is of an interest to all the people of the state.

SENATOR GREGORIO: But in a larger sense, 20 years from now, what would California look like if we instituted the League's plan this year?

WEINREB: We would be less sprawl, there would be less leapfrog development, we would have open space along at least the borders of metropolitan regions and,

undoubtedly, interspersed fingers of open space into the metropolitan area between communities. I think this would be what the state would look like.

SENATOR GREGORIO: You've indicated a planning structure. Now, of course, we have several different organizations at the state level that do some of their own planning. We have the Energy Commission that has just been created and will go into existence in January. We have the Coastal Zone Commission that's been enacted by initiative, how do you anticipate that these various agencies would fit into the planning process that you have indicated?

WEINREB: Presently, we feel the Coastal Agency should go along its own way because it is developing a plan and I, personally, feel it could go along parallel for a while unless it were seen after a few years that it ought to be coordinated. But all of the other single purpose planning agencies would have to be coordinated in the statewide coordinating council. And their plans would have to be coordinated into one statewide plan.

SENATOR GREGORIO: And how would you constitute the state council, again?

WEINREB: The Governor, the head of the single purpose agencies concerning with land use, such as the Transportation Agency, and also those concerned with natural resources.

SENATOR GREGORIO: By and large it would be a group that would be fairly well controlled by the Governor, so it basically would be an instrument of the administrative branch.

WEINREB: It would have very heavy local input and we are also saying . . .

SENATOR GREGORIO: In terms of just that area and local plans that they would be reviewing, but . . .

WEINREB: No, No, people would come from these local areas.

SENATOR GREGORIO: How would they be selected to represent?

WEINREB: They would be selected by their area council to serve on that body.

SENATOR GREGORIO: So what would the weight of the council be, in terms of voting?

WEINREB: In addition to that, let me add one more group of people -- we would expect that the Assembly and Senate add some at large people. What we see is perhaps a tri-part in weight kind of groups -- the executive, the local and the legislature.

SENATOR GREGORIO: How big a council are you talking about?

WEINREB: 20 to 30.

SENATOR GREGORIO: Okay, and if there are 30 day, 10 would come from each part?

WEINREB: Something like that.

SENATOR GREGORIO: Do you have a copy of your remarks and of the League's plan in this area?

WEINREB: Although my remarks were brief, they were taken from . . .

SENATOR GREGORIO: We would like very much to have these for the record.

VICE-CHAIRMAN GREGORIO: Any further questions, Senator?

WEINREB: Behind this, by the way, is a chart of the organization as it exists.

SENATOR GREGORIO: Thank you, one more question.

Would you like to comment on how you've seen the operation of the State Office of Planning and Research to date, and how helpful their actions have been in terms of technical assistance and otherwise?

WEINREB: They were somewhat helpful when it came to the environmental impact statement. The League got some input into how that should be done and they have been somewhat helpful to local communities. Personally, I feel it ought to be more helpful. And I'm not saying that it's not helpful, simply that it doesn't have the staff and the capacity at this point to do as much help as needed. We

badly need the technical assistance that I was talking about and we badly need a uniform data gathering method and so forth, so that we could integrate what we at the local level are doing with what you are doing at the state level.

VICE-CHARIMAN GREGORIO: Thank you. Mr. Chairman, back to you.

CHAIRMAN PETRIS: Thank you very much, Senator.

Our next witness is the Honorable Michael Wornum, Supervisor of Marin County.

MICHAEL WORNUM: I think we did give a copy of my remarks to your consultant. So I will try to abridge it slightly, not just read through, and respond to any questions at the end.

I am representing the Association of Bay Area Governments here today, I'm Chairman of the Regional Planning Committee, which is really the only agency in this area which is both regional and comprehensive. The one unfortunate part about it is that it doesn't have much implementing power. We are great on advice and rather long on decision making, but that's not our fault.

In any event, to take from my prepared testimony, I think one of the reasons the State is so involved or is getting involved with the visibility of the State

taking position is that the Federal Government strictures which are beginning to come down to get a national land use policy. And the trouble is that most of the State's action has been to combat that claim about the State's rights rather than really addressed itself to the fact that there is really a crying need of leadership in Sacramento in the State's and urban problems. This is the main point of the testimony, to see if we can bring to you the desperate need we have in local government to have some leadership in the state but not necessarily control.

ABAG has testified frequently before State committees, Assembly and Senate committees, the last time before this committee on July 18, 1974. And our position has always been that planning serves best as a bottom-up process. From the local level upwards, rather than from the top down fiat. And is the same as the Federal legislation that has foundered in insensitivity to the State's role in building up land use planning, and I think the State perhaps suffers a little from the same problems.

The California Legislature ignored the basic responsibility of local governments and local governments up to now have been the ones which have been charged with

the responsibility. How well they discharge it, is a matter of opinion, it varies in different governments. But they have been the ones who had to face the fire and had to make the decisions and the botch has been with them up to this point. The obligations from States therefore are discharged, and counties and cities most of the actions they take are on response to State mandate. Often, I may add, with insufficient funds to achieve them. And it only makes sense that the Federal and State Planning should be structured to provide a continuing input from the localities and regions where the planning and implementation buck stops.

One of the first things we have to clarify when you talk about planning though, is that when we talk about State "land use planning", we really mean "comprehensive" planning. Because the decisions made at the local level to satisfy the competing needs and desires of people living in our communities are rarely just "land use" decisions. Rather, they are obviously decisions in which land use issues are joined to a comprehensive array of other considerations -- economic, environmental, social and political -- affecting the use of land. Currently, comprehensive planning and implementation occurs only at the local level, this is where we are presently doing it.

The State of California, because of its myriad political subdivisions, is not organized as to plan comprehensively.

Any legislation aimed at establishing an effective State comprehensive planning capability must take into account both of these complex issues: Comprehensiveness and structural form. ABAG, like other regional councils of government, is situated astride the interface of State and local government. And I think that California with 21 million people in it, obviously needs some intermediate body between 500 cities and the 50 counties and the State government. ABAG is formed by the cities and counties to plan for the solution of local problems that get too big for the individual community. ABAG has been trying to plan comprehensively, and we have a plan which is pretty well accepted as being a good plan. In the metropolitan area where the State has repeatedly responded -- and this is really the main complaint that ABAG has, and the cities have is the repeated response to regional problems with creation of autonomous, single-purpose regional agencies. And they all are meant to do a good job. I was with BCDC. We have the Coast Commission, the Air and Water Pollution, MTC, BASA, a whole series of them, each of them making contradictory decisions with

very little coordination between what results from them. And this repeats, unfortunately, the single-purpose functional agency pattern that prevails in Sacramento. Many of the regional functional agencies have responsibilities and authorities that impinge of course on the local land use decisions.

Because everything is wrong with the planning structure of the State it comes together in metropolitan regions. And I think this is where we really have our planning problems, in the metropolitan regions of the state. Agencies like ABAG are unique. As I mentioned., being both comprehensive and regionwide. But they also are in the unenviable position to pinpoint any inadequacies of common practice in recent legislative proposals.

And I don't want to sound all negative in this statement, but I think ABAG's position has been and will be that if you are given sufficient authority and the power we could discharge the job. That planning without implementation tools is rather an ineffective mechanism.

It is ABAG's conviction, however, that State planning capability must be built upon a State-local relationship.

What is first needed are multi-functional regional

agencies to bring order, coordination, and rationality to planning at the sub-state level. This is not a novel solution as a whole, a list of agencies in the past have been advocating this. Quite a few other states have done it.

But California, unfortunately, now has 20 separate systems of determining regional boundaries for planning in all the various diverse fields as water quality, air quality, health, transportation, the ocean coastline, criminal justice, manpower, economic development and social concerns. And you add that to the confusing mosaic of cities and counties, and with a large number of regional, and local and state owned special purpose districts, it's really a wonder we can plan as well as we do. So, I think, the first order of business for California is to consider the process by which a reasonable and effective sub-state planning system can be devised.

We are not too happy with the Legislative Analyst's report titled "Resources Conservation Board" because, again, this is a top-down approach. Its eight regional Resources Conservation Boards, each with five Governor's appointees, are coming down from the top and impinging on certain land use matters which are the responsibility of local and regional agencies. And, again, to repeat Eileen Weinreb's statement, those things that can be

decided at the local level should be decided there. And the best way of determining that is having a bottom-up approach so the things that cannot be handled by them will be handled by each separate upward organization. But if it starts from the bottom we'll be sure that they will take the responsibility of doing it. If you start from the top you tend to include everything in that and then have this problem of what is local and what is regional.

Obviously, we would not object to reorganization at the State level to improve coordination and efficiency in dealing with environmental concerns. But State regional boards -- and I am thinking of the Water Quality Control Board and some of the EPA equivalent to State CEQA and the rest do control local development with a de facto control and with very little input from below.

Actually, I think the Ocean Coastline Commission -- I served on it for two years in the North Central Coastal Commission, Eileen Weinreb serves on this -- the basic idea of local input from that makes sense. And one of the better things of that is that the state commission is composed of half the regional commission. So you do get that inter-relationship between the regional and the state concerns. Not just one agency -- the State always

overriding the regional ones. There is a mixture of people involved in it. I think the obvious problem about that is it deals with just one geographic area. And certainly problems of the coastline are not caused on the coast, they are caused by the metropolitan region behind. That's where the flood of demand for second homes, atomic power sites, offshore oil drilling and the rest of it comes from.

SENATOR GREGORIO: Recreation.

WORNUM: Recreation. Not just from the coastline. And the problem with that is that it doesn't take the whole regional context into the problem. But the actual organization makes some sense in that it does take in local, regional and state into one melting of representation.

The third approach in Assemblyman Priolo's Assembly Bill 2978, comes a little closer. I think the voluntary forming or urban planning agencies overlooks the real world, and I will support Eileen Weinreb, again, in the idea that we should allow people to form them, but if they don't, then perhaps the worst of evils is the State taking over. But there should be, obviously, an organization designed to handle it. I think the idea of

in the Bay Area requiring unanimity in planning matters is absolutely impossible. I'm not sure it is even desirable, quite honestly, because I think you have to have the different interests represented on it. And there are some other problems which we are thinking about which I won't go into at the moment.

Obviously, we feel that the State has to form such an agency, but it needs to control planning in California a lot of input from the Koreans.

We have a list of other areas that have done such a thing in Atlanta and Minneapolis, but I really think California can be the leader in this, it doesn't have to follow up what the rest of the nation is doing. In fact, a lot of people look to California as the leader in this area, and I hope we can sustain this.

There is a great need to provide local government with a strong mechanism, though, which will allow at the regional level to become a creditable partner in this decision making with the state and federal government agencies. And I feel that some of the strength of the federal system has eroded something. Local government has been the loser with the number of stipulations and requirements that have come down, often not rational to the needs of the particular region itself. I think

regional reorganization would have to restore this balance. We mentioned the problems that when you get into special decision zoning like the debacle on the Southern Crossing which was handled by one state agency -- the California Division of Highways. I think they are trying to make themselves look different by calling themselves a different name, but I wonder if the method is much different behind the problem of emphasis in highways and the Kaiser Water Plan which was done at a great expense and hasn't gotten very far.

In conclusion, ABAG supports the consolidation of existing regional agencies and opposes establishing any new single-function regional agencies. We supported Assembly Bill 2040, Knox's bill, and I am very sorry that it did not get through. Comprehensive approaches are not only possible, but they are mandatory if we are to solve urban problems without creating worse unforeseen problems. The tradeoffs and realistic costs and benefits of public actions can no longer be assessed on a project-by-project or function-by-function basis. We can and must take a systematic overview of our decisions, and only comprehensive planning can provide the needed overview.

CHAIRMAN PETRIS: Senator Gregorio, do you have any question?

SENATOR GREGORIO: Yes, I'd like you to kind of comment on particularly what mechanism you would use at the State level to coordinate these various agency approaches since each one of the agencies would be operating in a somewhat different way. How would you make the decision at the State level to coordinate these and make some state-wide sense out of them?

WORNUM: This would get in beyond ABAG's position on it, but I am happy to respond . . .

SENATOR GREGORIO: This might just be Michael Wornum then.

WORNUM: I think the Coast Commissions to my mind formed a very good basis for handling the problem. Trying to oversee the things in the coast which concern regions and the things which are statewide issued both are legitimate areas to have representation. At the moment, as you know, we have mandatory requirements and general plans. There are nine mandatory elements and someone in the State is supposed to review them. And I can imagine the confusion if they were ever enforced that the 500 cities in the state with the nine mandatory elements in the counties all arrived at the State Office of Planning together. I don't know

what they'd do with them, except to throw them up in the air and how they come down face up. I think we have to go through the regional plan that they can coordinate on a regional basis. We have nine very logical regions in California. I think all these other regional agencies should be consumed into a general purpose regional government with powers and ability to affect regional decisions. They should then send delegates, sort of like the Coastal Commission, to a State Regional Planning Committee -- Commission, what you will, which would have half of the input from the regions, and the other half from the big State agencies which are vitally concerned with social government.

SENATOR GREGORIO: In other words, not too much different from what Mrs. Weinreb was talking about.

WORNUM: I don't think they are very different from her viewpoint. Because ABAGA is composed of the hundred cities in the region and the nine counties. In Sonoma we had a little trouble with...

SENATOR GREGORIO: And the decision-making body at the regional level would be basically whatever it developed in that particular region. Is that what you are suggesting?

WORNUM: I don't think we have to have uniformity throughout California. I think a lot of these plans force

it because you tend to say "You have to have a nice bureaucratic stream with chains of command." I think Los Angeles is very different from the San Francisco Bay Area. I think it's a tragedy, as you know that AB 2040 always seems to founder regional government on the fight of whether it should be locally elected officials or directly elected.

I think getting the job done is more important, and I think a compromise of 50-50 to begin with makes a lot of sense. It could be done by direct elections for the half of them and the similar methods of appointment to ABAG as we now have.

SENATOR GREGORIO: And you would envision that at the regional and at the state level both, that the decision could be made that in a particular local agency a decision by the local agency could be reversed. That development of something that was considered as regional or as statewide significance as open space should be halted or vice versa, that some kind of need for low income housing would be required to be met in a certain local area. Would you envision that kind of power at the regional and statewide level?

WORNUM: ABAG has at the moment propounded a fair share program of housing throughout the Bay Area based on needs of cities (unintelligible) amount of

controversy. But I think there are certain things obviously, which -- I mean, BCDC was formed because each city was bound and determined to fill their particular part of the bay, and the hell with the other cities. So, certain aspects of what cities do which are of regional or statewide impact, but I think has to have some kind of a view.

SENATOR GREGORIO: Do you envision some kind of a compensation mechanism like some of these decisions could drastically alter the value of land. And it has been suggested by some quarters, at least, that there should be some sort of a compensation mechanism. We have had, of course, for many years local zoning that has resulted in either the increase or in some cases the decrease of the value of land without such compensation factors. But, how would you see that problem?

WORNUM: Well, I think compensation is always one of the most tricky areas, we could all spend all morning.

SENATOR GREGORIO: I don't suggest that's an easy question.

WORNUM: I think there's two answers. I don't think there is much difference in the county government or the state in that the same value is involved. Marin County has done a countywide general plan trying to balance the environmental, economic and social aspects. And I think in the coastline,

of course, they are doing the same. I think there is a difference between taking away and confiscating someone's present values and, shall we say, removing expectations. If the farmer has a land and bought it for filing purposed to protect it under the Williamson Act to be able to keep it from them, and eventually he has expectations of selling out to Boise Cascade or something, of putting an enormous subdivision and is counting his future profits, and you move these future profits by saying "No, you should keep it in agriculture." I don't think that requires compensation because you are dealing then with expectations.

If someone has a present, used or purchased it under the present use in some commitment to that zoning, then I think compensation should be considered because you are then depriving someone of an existing value and the public interest and perhaps of compensation. But so much of land values are really discounted future speculative values that I really don't feel that this should be compensated by the community, any more than someone investing in stocks that's expected to go up should be compensated if it doesn't.

SENATOR GREGORIO: Bout on the other hand, some people buy subdivided land that is not now developed but on which it's contemplated that building could occur and in the meantime you'll have other decisions that prevent that building. In that kind of a case, what would your reaction be?

WORNUM: If there is a county general plan or city general plan which shows that land to be eventually low density and someone sold it to someone to subdivide it or has been, I think they'd have to take their earth.

We have a water moratorium in Marin County, for instance, and this has resulted at the moment in obviously a decline in values. The assessor has recognized this and had reduced the assessed value on it. I don't think it's going to last indefinitely. I hope not, because it is no good for the community to have no development at all.

The other alternative which was tried in England, where I come from originally, is a betterment charge where -- and there is a Professor Hagman...

SENATOR GREGORIO: Sort of like a value added tax?

WORNUM: Well, no. In other words, someone who gets increased land and you always hear about the person who is losing money in the zoning decisions, you never hear of the person complaining who bought land as agricultural single family and gets it rezoned to multiple or shopping center. And it seems to me that's where you could have some compensation tax which would go into a fund and pay back the other.

This was tried in England, as I mentioned. Administration is very difficult. There is a Professor Hagman, I recall, who might work in a project called "Windfalls

and Wipeouts" down at UCLA which is trying to work some mechanism for doing this. You might want him to testify.

SENATOR GREGORIO: I might ask of the committee staff, are they aware of this?

CHAIRMAN PETRIS: We are going to be meeting with Professor Hagman in November.

SENATOR GREGORIO: Good. England has given this up or . . .

WORNUM: I think it has given it up because of the problems of working on how you set the original value from which you would take her up or down. But I think that people who ^{do} get a great increase in value in some way it should be possible to tap that. That's the Henry George theory that it's public unearned increment of land because you sit on the bare land and need someone to run it. Vermont, I understand, has a very high capital gains tax and people come into the state hold the land a little bit and then sell it. And that's the sort of area a fund that could be used for compensation in areas which obviously deserve it.

SENATOR GREGORIO: Thank you, Mr. Chairman.

CHAIRMAN PETRIS: Senator Rodda.

SENATOR RODDA: I was just going to say that the Revenue Tax Committee is going to hold hearings in

Burlingame on the 19th of November on land value taxation, specifically on a Constitutional amendment that I introduced which will provide for phasing in over a five-year period. I see there are real estate interests here, we'll take note of that and we'll be there in opposition. I'm giving them advance warning.

CHAIRMAN PETRIS: I'd like to get back for a moment to what I think is a very good analysis you have of what's happened in the past and how the State has -- actually, it still doesn't have a comprehensive statewide planning program or agency. We found in our preliminary studies before we had the hearings that is very, very fragmented -- and I've forgotten the number but there is a large number of agencies that have taken little tiny pieces of the puzzle, but nobody knows what the whole thing should look like.

I would like to pose this very broad question to you. I know I'm asking for a lot but I'm going to ask probably of all the witnesses, and maybe the others who intend to come forward to give it some thought.

I find in a lot of our meetings and in the public hearing of July 18, we had a group of people groping different parts of the elephant trying to figure out what it is. We are trying to draw a new elephant. We

know what the problems are and we don't know, maybe the next elephant isn't going to have a trunk, maybe it needs a longer tail, maybe it'll be a donkey instead.

Yeah, thank you. I appreciated that. Thanks very much, Senator Gregorio. It shows you, when you are not up for election you don't think of the big issues first. But Senator Gregorio is up so he has his eye right on the right place. At any rate, I want to get back to my vision of the 100-year plan. What are the people of this state going to say about this committee or about any one of the witnesses 100 years from now if we haven't done our planning properly and the state is really in a horrible mess? I mean, assuming we don't do things right and chaos results in the environment and in the land use planning, and all these other things you have correctly stated as spokesman for your whole organization. That you can't talk about land use planning in the abstract, it has to include all these other things -- socio-economic factors. We haven't talked about housing, for example.

Housing, it seems to me and to most of the members of the committee, is still one of the big problems in this state, and getting worse, for a substantial percentage of the population. What has been done through the 701 grants, for example, that has helped to alleviate

the problem? Has that been satisfactory or not? Where does housing, accomodation for people in some pretty respectable income levels -- we used to talk about the housing problem of one one third of the nation -- ill-housed, ill fed, etc. Now we are getting up into the workmen who enjoy a very good annual wage, a weekly wage, monthly wage and annual salary who can't afford to get into housing, and we still have the problem of those at the bottom economic levels worsening all the time instead of improving with respect to housing. So what I'm trying to say in short, sitting on that range finder 100 years hence and looking back, what can you tell us, what can you envision not only from your piece of the puzzle, which I think you've described very well, but we are looking for the proper kind of statewide, long-range planning which, I think, all the witnesses so far have acknowledge we simply have not developed to this date. We just don't have one. So we are trying to put one together, if it's agreed that it's needed. Assuming that it is needed, how can you assist us by giving us some kind of vision as to what state should be doing. What kind of agency should it be and what it should be doing to fill the gaps that you have described in your testimony and to avoid some of the mistakes that we've had in the past. I realize

that's a tall order, but it's a challenge, and unless we face it squarely, unless we talk in terms of what kind of a state are we going to have, not only 100 years from now, it could be in the next 5 or 10, or 15 years. What kind of state are we going to have? What kind of an environment people are going to be living in? What kind of society it's going to be? We are not really facing up to the issue, we are just talking about bureaucratic entanglements, conflicts, overlapping and the quarrels between various agencies as to who should be the one to assume certain responsibilities. So the floor is yours to give us the beautiful dream translated into a plan.

WORNUM: Perhaps coming from another country I can look a little more objective at California. California is one of the most fantastic, rich, enormously large states. And if we cannot handle when all nature has given us bounty, to the degree it has, how we live on it, and the human animal instead of being a plague, and it has been compared to a disease or cancer, and make it compatible with the environment, I think this is what we all are trying to do; because we are part of this earth, we are not something separate, and ecology includes obviously people and them living there. So from a hundred years back I'd like to look back at this time and say this is when we really

came to grips with some of the problems. It was understandable when California was growing rapidly, when progress was good, when the problems of environment were regarded as very minor, that you could really put much dirt into the air or water, that you could erode the hillside, that there is endless agricultural land, and that you could just pretty well mind your land and not worry about the others. But this was the time when realization came, we had an expendable resource and started...(unintelligible). I would like to still build it up, as I mentioned, from the bottom up. Because I don't think any commission or committee in a state of 21 million people, and still going, could possibly understand all the variations and problems of it. The state has to lay down some rules when we have to basically protect the coastline, the agricultural lands, the bays, the mountains, some of the desert and decide where organization takes place.

Most of the sophisticated countries of the world have statewide plans. I use the word state now as national plans -- England, France and Germany -- determining where growth should take place, where open space should be. There is plenty of land in California for housing. I think, in fact, one of the challenges is not just to go out -- I've been out

in Rohnet Park and going around there and they were taking over beautiful agricultural land just with one house after the other leaving a deteriorating city core behind it.

The ABAG plan says you have to be city centered. And I think it makes sense that you just don't want to sprawl again across the country. And if the State's plan can base itself in the regional plan that the communities together have the challenge to see that the cities that do exist remain reasonably compact until there is public transit and the rest, so you don't have to overlay all this freeway. That this is more economical to people for open space and air studies. That all open space in the Bay region could be almost obtained for the savings and costs of utilities, roads and cars and the rest of it if there is reason to compact it down. I think an awful lot of attention should be put into existing cities. The American city has almost become a disgrace. San Francisco is still a beautiful city, Oakland is a beautiful city; but I don't think they will be if we put all our emphasis on going to the country. In other words, we are a wasteful economy. It's much easier to leave the mess we have behind and go into virgin territory and start building there and say "forget what we have behind." And this creates some of our

social problems too. So looking back, if you want, 100 years from there, I'd say this is the time we realize we have very restricted resources and we are trying to look at planning from a regional basis and the state basis and to decide what areas should grow. I think Los Angeles is way too big. The Bay area is threatened. Perhaps the metropolis at a certain time becomes too big and the quality of life and the whole thing deteriorates. We should form -- and California is big enough -- a new area. Perhaps Redding should be the center of a new metropolitan area and not take all the water from there to Los Angeles. Perhaps Coalinga half way down the valley where the water and the new freeway goes, could be a new growth center and not add to the existing ones. But someone has to look at the state as a whole and make these decisions. I'll stop at this point because I could go on, obviously.

CHAIRMAN PETRIS: I think you've stopped right at the biggest problem, someone has to make the points. Some of us have grave reservations. If they were tilted entirely the other way and all planning came from the local level as to how much willingness there is even at this late date among the very ardent spokesmen for each city and each county to give way to the next cities...

WORNUM: Yes, that's a real problem.

CHAIRMAN PETRIS: That's where the problem is.

Witness right now the battle going on between the ports. Oakland has now assumed supremacy in the ports among the world -- second or third largest container port in the world. So Richmond over there all of a sudden wants to be a big container port, and Oakland says, "no, we should be the ones. Let's combine and consolidate; where it serves our interest we want to combine, where it doesn't serve our interest we are not interested in combining."

San Francisco is about to launch a counterattack now that one of the leading shipping companies has decided to move over to our side. That problem is never going to be resolved by ABAG, it seems to me, if Richmond and Oakland keep fighting over who gets priority in a continuing development of the sea ports.

It seems to me, although I admit to be prejudiced as a native of Oakland who is still here, that since Oakland has shown the way to do it and has taken the lead not only over the local ports -- the cities rather, but ports all over the nation, that certainly it ought to be recognized that it has learned the know-how and it ought to continue along that path and Richmond ought to be

diverted to some other kind of sea activity. But Richmond isn't going to agree. And without this State authority on a regional basis backed up by the force of law, it seems to me that those kinds of conflicts are just not the kind that can be easily, not only easily, but not the kind of problems that are going to be resolved in the foreseeable future.

WORNUM: You simply have to give the regional agencies a chance to do this. Municipal Transportation Commission (MTC) theoretically can say whether BART gets more money than AC Transit or the Golden Gate Bridge and the rest; hopefully, on a consensus or at least majority rule of the various representatives. I am all for giving the region the option to try to make these determinations. If they can't, then it has to be done further up the line. For those the State has to make and envision some multi-facet State Planning Commission which would include the local jurisdictions but also would include the State representatives to make that ultimate decision on things which are obviously of statewide interest -- offshore oil drilling or automic power stations, though they obviously have a profound effect on the local environment and the economics and also have a statewide aspect involving the statewide energy policy, statewide trade and the whole economy.

But I think that you have to give a combination of this -- I get upset with extremists -- I certainly know they will. And we get this in Marin County and the rest. Everybody says, "Yes, let's have some more housing, we need a housing policy and modern income housing, but not in my neighborhood."

CHAIRMAN PETRIS: Not here.

WORNUM: No, somewhere else. We think Oakland is a great place to put modern income housing. That's why ABAG has tried to whip this and say we are going to welcome a mutual allocation model of housing, and saying that you have a fair share which you have to absorb; and if you want to get open-space grants, the sewer grants and the water grants and all the goodies, you have to take some of the baddies if you want to put it that way, along with it.

CHAIRMAN PETRIS: How about schools, would you extend that to the expanded school districts?

WORNUM: Sure, you know, that's another bag...

CHAIRMAN PETRIS: Well, it's really central to the problem and I don't think very many people are facing it.

WORNUM: We still have one schoolroom district and that's not very efficient in school consolidation.

CHAIRMAN PETRIS: The biggest excuse that people

give me for leaving the metropolitan area -- let's say Oakland, again -- is because they don't like the school system so they want to go out somewhere else, into the countryside, and put their children in better schools. All those things go with it that you described earlier. The cost of doing that is greater than staying in the city and intensively developing what's left in the city and improving it.

Supervisor Fred Cooper has given us some very good information. He's taken inventory of all of the land still available within the city borders in the cities of Alameda County and has called on environmentalists and conservationists to support a more intensive development within the city limits rather than putting a stop to any kind of development outside of the city and not doing anything to encourage development within the city in areas where it can be done to a great benefit of the people living in the city. There, again, the city alone isn't going to be in a position to do it because people want to pack up and leave and go to another area and the city doesn't have the resources to keep them there. They are going to leave and all these problems are going to be multiplied.

WORNUM: I think we are agreeing because my point is,

you don't scatter your housing development way over the country. Then you serve social purposes by in-filling and repairing the deteriorating cities and not allowing vacant lots with weeds on them which should be with services right nearby -- schools, bus, sewer and the rest and then go out into virgin, beautiful agricultural land and start ripping around for the bulldozer.

CHAIRMAN PETRIS: Who is in the best position to bring this about? Is it still an ABAG type organization that you are recommending or does somebody at the state level or regional level have a better overall view?

WORNUM: I think you have to give it a chance. ABAG is criticized because it's ineffective. It's like saying to someone, "Well, you are in charge, but we are not going to give you any authority to implement it." I think you better give the regional agencies a chance to prove it. You can monitor them by the State. The Coastal Commissions are a good example of this because they have been charged with doing this. But appeals are made to the State, sometimes some of the Coast Commissions are slapped down, some are sustained. But I think if you give a type of organization a regional comprehensive government with powers like AB 2040, by Mr. Knox, which would have combined the very existing

single-purpose agencies, give them mandatory powers to make those decisions, I think they'd live up to their responsibilities. And if they don't, then the State can take over. But let's at least give them a chance to do so.

CHAIRMAN PETRIS: Any other questions?

SENATOR GREGORIO: I just might remark that ABAG has made some rather gutsy decisions in terms of their planning. It may be that that was what the realization meant, it wasn't going to have any impact. But I've been impressed by the ability of some local officials to rise above the local situation and take a look at the regional whole when they've had that duty.

CHAIRMAN PETRIS: Senator Rodda.

SENATOR RODDA: And I'm a little bit discouraged because of the fact that I am interested in intelligent land use planning -- land use, and I know the conservationists are, and what I am discouraged about is the fact that they at least won't even look at the impact of land taxation on the whole question. I notice all of you beautiful planners here, all you conservationists -- but I bet you not many of you will show up at the hearing on land value taxation. You better be there because the facts that are pointed out here are rather relevant. The economics of

land taxation constitute an incentive to move out and a disincentive to build on the unused land in the core areas of the city. I think, at least, we ought to look at the impact of land value taxation in connection with adequate, meaningful land use planning. The two are related. If you don't see that relationship, then I think you are making a serious mistake because your planning is going to be undone by the incentives and disincentives of the taxation of land. So I hope a few of you will come to Burlingame on the 19th.

CHAIRMAN PETRIS: Well, thank you very much, Supervisor Wornum, we appreciate your help and your participation very much.

WORNUM: I'll try to come.

CHAIRMAN PETRIS: You can put that on your calendar.

SENATOR RODDA: We are going to have some economists who have national reputations testify there.

WORNUM: I hope to come in a different role when I do.

CHAIRMAN PETRIS: Thank you. We want to know if Mr. Sedway is here...is Paul Sedway here? I just want to inquire if you have a time problem if you are here. Mr. Sedway, apparently is not.

Then the next witness will be Mr. Jack Shoup of the

California Coastal Zone Conservation Commission, is he here?
No. Mr. Fisher, Mike Fisher? This gentleman isn't here.

Is Professor Twiss here?

Some of the witnesses are planning to testify in the afternoon instead of the morning.

Is Mr. Janelli here?

JOSEPH JANELLI: Yes.

CHAIRMAN PETRIS: Oh, fine, come up.

We also will call on other people in the audience who are not on the list but want to testify. One person has indicated he'd like to speak. If there are any others who would like to be added, leave your name with the Sergeant of Arms or the secretary and we'll certainly call on you.

Mr. Joseph Janelli of the California Farm Bureau.

JOSEPH JANELLI: Good morning, Senator, Senator Rodda.

I had planned to make some comments to your next committee meeting, the one that has been cancelled from the October 2nd date to November 1st, but in discussing the questions that the staff was planning to suggest be considered here today I thought I would like to come in and make some off-the-cuff remarks on the issues that were enumerated.

Senator, I would like to respond to some degree to the comments that were made by previous witnesses and to the sheet that was available as we walked in "The General Interrogatories Issues".

The question of the long-range statewide planning process, from a policy standpoint California Farm Bureau Federation has felt that planning is best accomplished at the local level. As some of your witnesses have talked to the faults of the single-purpose entities, and certainly when we look at local government we do not generally find within the legislative body a single purpose entity. So they could fulfill that requirement of being able to consider all elements -- the police protection, concerns over whatever plan is adopted for either residential, commercial or industrial usage of the land, and the utility facility that will have to be provided. Those things are being considered today by local government and we believe local government has reasonably good ability to continue to meet with those individual concerns that affect any type of a plan.

CHAIRMAN PETRIS: I wonder if I could just interpose a question here. I think over the years that the best planning comes from the local level. But I'm going to raise a question there. Isn't the very fact that we've

encountered so many problems which are not limited to local effects, problems that are still over the local boundary, really the reason why we are having all these proposals for a different kind of planning. I mean, today haven't we learned that the old bromide is true about local planning as long as it's a local problem, so when that problem spills over into other areas the city (we are talking about the city as a basic unit) isn't necessarily equipped to do the proper planning or enlightened enough from the standpoint or abdicating or giving out some of it's so-called sovereignty in the interest of an areawide plan. What I'm trying to say is this, don't we have to change our notion of local planning to the particular level that's embraced by the problem. Maybe local planning in some areas by the city is fine. In other areas the problem that is shared by the city but also shared by many other cities is best done by the county or some regional basis. It's still local planning, it's still not the state saying to a local city that they have to name a particular street after a certain person, or that the city street has to have a certain wedge and so on and so forth.

JANELLI: I wholeheartedly agree with you, Senator, and I was moving right into that point.

Because we do believe and our policy so states,

that the State must provide guidelines to local government and then even go beyond the guidelines to overview the plan, and even go beyond that to survey all its operations. We believe that there has to be a higher agency because the concern is one of the state as a whole. As well pointed out, the peculiar idiosyncrasy of this legislative body's philosophy or otherwise, will have a substantial effect on all of its neighbors and eventually on the state as a whole. And we are in agreement to the need for, as I said, State guidelines to assist local government into the proper planning of the area that it has jurisdiction over. We also believe that beyond the guideline point there might even have to be a veto capability to say "No, you cannot do that," that does not fulfill the State's master plan.

In one respect I hate to see the committee considering land use planning, and I say it with tongue in cheek, because land is only one of the resources that has to be considered when you view land use planning. It's a resource that we are looking at. And it involves the people, property and all the elements that are available to us. This is, again, another thing that we feel is important to have the State involved in that overview and surveillance after having furnished the guidelines that will allow local government to continue to actually

implement within the State's overall desire. And I am going down this list and I would hope that either any of the members of the staff won't hesitate to interrupt as I pass from one to another. I think our feelings are quite strong in this whole area of land use planning, particularly, resource planning because California Farm Bureau, specifically, I am sure recognizes the concerns of the people of the state of California. First of all the desires for open space; the desire to preserve agricultural lands; and yet as we look at that we have to give recognition to the fact that the best agricultural lands are the ones that will, in many circumstances, to some degree be needed for the type of housing that you are concerned with, Senator. It's almost too damn expensive to level a hilltop to build a home on that one for the average working man. We will have to go into the prime land areas in some situations. So we have that concern.

Going to the second issue that was presented -- your request for comments on some of the bills that had been before the Legislature in these past few sessions:

One element of extreme concern in the State planning bills relates to the issue of management. We, too, recognize that there are lands that have statewide significance and that controls of the use of those lands

must be faced up to. I think the concerns over forestry lands, and we represent quite a few timberland owners, have been answered to a substantial degree. There's still a big argument going on. But at least the state, in cooperation with local government, has made substantial moves into that area. And parallel with that concern over timberlands is the state's recognition of what Senator Rodda spoke to -- the land use taxation policy involved in those lands. And you well know that both houses are looking at timber taxation to suggest that a different viewpoint must be taken if we are going to utilize those lands to the resource capability that they have and not tax them out of business. That also follows along with all other resource type fans. Whether they are for travel purposes, mining, farming, any of those types, the land use tax policy must, as the Senator pointed out, be considered a very important element of the resource plan. The one issue of management, as I commented to, concerns us to the extent that there was at least an implication in many of the bills that management will finally go down to the point of saying, This is the crop that you will grow on your land."

When we look at municipal planning we see and recognize the right of local government, particularly,

to say "This area shall be used for residential purposes." And it may be R 1, 2 or 3, or beyond that. It does not say that you will build the house with green walls on the outside and this type of a roof. It allows local property owners to make that final decision. It does, however, stipulate that the type of construction in itself will not be injurious to the remainder of the community. And I think we would have to say, "We would accept that" or carry that into the farm community. I think an example of it, and those of you who are somewhat familiar with it, the air resource ability to cope with the rice growing activities in the Sacramento River Delta. Through that type of regulation the rice growing activity has certainly been much less of a nuisance to the residents of Sacramento in the past few years than it was even within five years ago. And the farm community has accepted it. It recognized that that type of control would have to be adopted and that they would have to abide by that regulation. I say this to the same degree that there is a possibility of similar types of crops that may have to be controlled to the same degree. And I'm sure that our organization once good reasons are advanced would be willing to accept that. Unless the proposals are specific enough to suggest that those controls would be invoked only when there is an overriding need to assure that the public in general is not

detrimentally affected. We had to express a dislike for the thought that land will be subject to State or local management criteria as to whether or not we will plant pasture for the cows or sort of grain that grows this high that we make into silage. Because people that will argue one way or the other this is what we want, not that. But the economics of the situation mandate that we plant the silage. We can't buy the corn from the Middle West any longer. That would be the point on those proposals that have been advanced.

In the third question you asked about the relationship between the planning function and the legislative and executive branches of government. From my experience within government, Senator, and from my personal feelings on the subject -- and I'm departing from Farm Bureau policy only because it is not specific -- I believe sincerely that planning is a legislative function. At the county and at the city level we have a legislative body appointing advisory commissions that do the first step in the planning process but finally adopt the plan legislatively. I would suggest that I see no reason why this should not be considered at the State level. The Legislature has that responsibility in my personal opinion. The executive branch would be the branch that would implement -- that

would assure that that plan is not destroyed under any other enforcement provisions. This is my feeling on the subject and I believe that our Farm Bureau Committee that has just recently been formed to go more in depth into this question of land use planning will concur. The feelings that have been expressed already are indicative of that.

I can't respond to the issues that are raised in Question No. 5, except to the extent that some of those type of agencies will have a bearing on the subject matter of Question No. 7.

We have been familiar with the Coastal Commission activity and with the BCDC activities, and to some degree with SCAG and Tahoe Regional. I would suggest -- I could say this, in my opinion none of those agencies have been equally successful. I scratch ABAG, I am not that familiar with it. BCDC I would say, and this is a personal opinion, has met with success. They have handled a single situation. But if you look at those agencies from the standpoint of planning, then I don't believe that they have been successful in the purview of the questions before you. They are single purpose, almost. And I think they have that one basic fault, their activity is not measured against the next governmental agency's activity.

The question of the socio-economic factors incorporated into the planning process is probably the area of the most dominant concern. We will agree with the city representatives, with the ABAG representative, and I think we are in agreement with the California Supervisors Association because we do work with them very extensively, but every decision must be measured not only from an environmental standpoint but from this overall socio-economic standpoint, and the three elements are all part of the issue. And to some degree, I couldn't help but say, I'm going to criticize Senator Petris in his comment about the Port of Oakland. We have a major concern with the Ports of California. We ship a great deal of agricultural commodities out of the Port of Oakland, out of the Port of Stockton, the Port of Sacramento and the Southern California ports, and we want them to be efficient in their operations and to handle our commodities expeditiously. And certainly the container port is one means of doing it. We have need for bulk ports, and Sacramento and Stockton serve those purposes. But to some degree, Senator, I couldn't help but feel that the comment you made about the Port of Oakland is the issue that you yourself commented to me on when you have independent viewpoints on subjects. Should Richmond do the same as Oakland does, or should some of it go back to San Francisco, or should we

do it at the Bay near Rio Vista and establish a new one? But this is probably one of the faults of the local decision-making.

CHAIRMAN PETRIS: That's why I raised the question, because it is now coming up very dramatically in a new context but is a repetition of the inability of local government to make decisions in some kind of situations and that's why I raised it.

JANELLI: That's why Monday, Senator Marks is having a hearing?

CHAIRMAN PETRIS: Yes.

But if we look back on our history we find that cities made a lot of decisions which were popular at the time in competing with each other to bring in industry without imposing any kind of restrictions or controls over them regarding problems that should have been anticipated. We think now, maybe if we were making those decisions at that time they would have been the same decisions exactly. You know, expand the tax base and bring in a bigger payroll, If it's the sulphur operation of some kind that causes a lot of inconvenience and irritation and maybe sickness, those are all secondary, we are not going to worry about them. So now we are facing the same things from the standpoint of the port.

JANELLI: Or we take our sewage down the creek.

CHAIRMAN PETRIS: Down the creek and let somebody else worry about it downstream. Now, that we are on the socio-economic aspect of it which looms very, very large for all of us, can you comment on the Farm Bureau's view or your own view about how the expanding large farm or corporate farm, or "agribusiness", as it's called is going to affect our ability to, or influence it, to crank in all these other factors? I'm thinking now, for example, of the water plan. One of the big supporters of the statewide water plan was the farm community in some parts of the state. Others are now saying, as one of them earlier said, "Well, maybe it would be better to establish a fairly large community up north and instead of shipping all that water down south, consume it locally and have less people down south." With the big mergers and the rapid increase in the number of the corporate farms they are bound to have some kind of impact and influence. What do you see in that development and its effect on our planning? Are they going to be able to help us plan better by being a single voice over a much wider area of privately owned farm land or are they going to be providing more obstacles?

JANELLI: I think, Senator, the large corporate farm will be of more assistance in planning because they do have a control over a larger block of land that is more

adaptable to plan. This has been one of the big problem areas when we permitted the sprawl that we permitted in the farm counties, the San Joaquin Valley particularly. All of a sudden the community was looking to expansion and found it chopped up in so many piecemeal bits that they couldn't put them together and overall it was any type of a valid plan.

CHAIRMAN PETRIS: Will our interest conflict with the planners or coincide with it? Is it going to be in their interest, do you go along with the kind of planning we are talking about or not?

JANELLI: I think, Senator, the interest that will be expressed will be highly dominated by the economics of what the proposal is. I don't doubt that that would be part of it. I'm saying in the first place that there's been a lot of major discussion in regard to the large corporate farm. We do have large corporate farm operations in the State of California. Many are of the large conglomerate type organizations which have been phasing out of farming activities. They found that the return on investment was so small they couldn't justify staying in business. They were better off just putting their money into a bank. And this is true, I worked on the accounts of several of those firms.

CHAIRMAN PETRIS: What's happening to their land,

are they staying in farming or are they going into...

JANELLI: I think an example of it, Senator, was the Hershey move into the almond-growing area where they bought their lands or older orchards and tore them out or replanted them with younger almond trees to sustain the Oakdale Hershey bar plant. It wasn't very long afterwards that the Hershey Corporation was looking for farmers to buy those groves if they had any reasonable assurance that they could enter into a contractual agreement so that the almonds produced would go into the Oakdale plant. That's one of the reasons they went into the business of farming. One of the ingredients was needed for their operation and they felt the way they had to assure that they would have it would be to start from the dirt level and do it. They have since suggested and have gone along with the idea of, "let's get back to let the man that knows how to get the tractor down the road without a lot of levels of management over him and we will buy his crop." I think they've sort of obeyed my father-in-law's philosophy as he told it to me, "Joe, if you want to make a buck give the other guy a chance." And this is somewhat their activity.

This also held true in Purex's entry into the Salinas Valley farming activity they have phased out. There, I think, it was an absolute economic situation of where, first of all, a return on investment; and secondly, the actual net

was less than when we were talking of the independent farmer.

We do have large farm corporations by some people's means of measuring and yet, for example, a single family farm in crop land activity in Fresno County has to be 440 to 500 acres to be economically feasible. If he owns one tractor with a four-bottom plow, that's the amount of acreage that man has to have to derive an income from one farm operation. A lot of people look at 20 acres as a farm and then cry because they see a 440-acre holding. My brother-in-law, for example, farms something like 1,000 acres in Tulare County, and those were one-man farms, family farm operations. So we have to use the proper yardstick when we start measuring this issue of the large corporate farm.

CHAIRMAN PETRIS: Is this a serious turnabout or is this just sporadic, the farming by some of the large companies?

JANELLI: I think it's a turnabout. It results from some reanalysis of the tax structure on the national level. For example, the Farm Bureau supported in the Congress the denial of an expensing of citrus plantings to require that they be totally capitalized. Because what was happening was that it became one of the tax loopholes. The money that went into this investment was 50% free, something

like that. Then, of course, the capital gains structure at the end of the operation really created the problem of bringing conglomerates into the activity. Our policy is specific to that point. As a matter of fact, Mr. Thurman, on the Assembly side, last year carried the resolution directed to the Congress to ask that capitalization, which presently is a mandate on citrus and almonds, or plantings of that type, be carried into vineyards and other permanent orchard plantings.

CHAIRMAN PETRIS: Well, that's very revealing.

JANELLI: It's worth exploring, isn't it, Senator?

CHAIRMAN PETRIS: Yes. I think we are going to find that a lot of our problems are attributable to national tax policy, an enormous amount. We've known that for years and have been trying to turn that around, as you know, in several categories. But, what's going to happen to the farm if the small farmer has been squeezed out increasingly over the last 50 years, he's gone into the city and now the big conglomerate farmer is going to abandon the farm? Is the little fellow going to go back or, what's going to happen?

JANELLI: There is a growing interest on the farm family for the children to go back into farming. Five years ago when I joined Farm Bureau the average age, which was up in the 55 bracket, has come down a very minor degree.

But today we are spending a lot of effort on young farmer organizations. We've adopted a foundation program to teach the 25 and 30-year-old people more of the economics of the farming activities to encourage them to remain in farming. And we find more sons staying in the farm today than we did 10 years ago, when my kids said, "Dad, we don't want any part of it."

CHAIRMAN PETRIS: Would better planning a few years ago have made any difference?

JANELLI: I think it would. I think even more importantly, not only better planning but better economic . . .

CHAIRMAN PETRIS: I'm talking now about not the individual farmer's plan but the kind of planning we are discussing here today.

JANELLI: Yes, it had a very detrimental effect. There are things that we have to recognize when we talk about the use of lands for agricultural purposes, there is a basic incompatibility with certain farm activities and people.

We could down into the South Bay Area and we could find a city that has a great interest in maintaining open space and having large areas of farm land, and then refuses to provide the police protection to keep the people out of those walnut groves from stealing the walnuts from the trees that they want there. Economically, you can't give walnuts away and pay city taxes, county taxes and school

taxes. Those are the types of issues that we have to face.

I look at the Sonoma County Farm Bureau Policy that was presented to the County Board of Supervisors a short time ago in which the Farm Bureau of Sonoma County, (I assisted in their activity) suggested to the communities of Sonoma County that the open-space desires -- the ability of the community to retain its identity by maintaining a separation with some type of open space can be accomplished more economically, more efficiently, if that open space is retained in private ownership. We have the circumstance of the farm operator agreeing with the city to take the waste borders out of the sewer plant. This happens in Fontana, it happens in Sonoma County and it's happening in many other areas. We are agreeing to those things, the cities are agreeing with us and the counties are agreeing with us. And as long as we can continue, cooperatively, to develop these types of programs, these recognitions of the ability of the farm community to provide certain service for the city resident -- for the urban resident, so long as the urban resident has a respect for his obligation to the farm community. We couldn't possibly provide the open space in Sonoma County if that county were not to recognize that to farm land you need water, and their plan carries an element of water supply for domestic, commercial and agricultural

purposes. I think we've made exceptional gains. And Senator Gregorio, I think you are aware of the fact that I was a cohort of Don Wolf's down there, who was a County Planner of San Mateo County.

SENATOR RODDA: He used to be in Tulare.

JANELLI: Yes. Here is a man that gave quick recognition to the concerns of the farm community, to the problems that urban sprawl was creating and worked to everybody's satisfaction to resolve it. We have studies in Tulare County that are now suggesting that the sphere of influence that has been designated and adopted is too large. Let's pull it in a little bit because we have too much wasted open space there rather than to move out where we want to create some farm land.

CHAIRMAN PETRIS: If we had had some real rough State and regional planning 50 years ago, couldn't we have either prevented or severely limited the urban sprawl as we know it today, as we knew it immediately after World War II?

JANELLI: Yes, we could have.

CHAIRMAN PETRIS: Shouldn't we have done it?

JANELLI: I say, personally, yes, we should have.

CHAIRMAN PETRIS: Any other questions?

JANELLI: On this one issue, Senator, I'd be glad to respond to some more questions.

CHAIRMAN PETRIS: Senator Rodda, Senator Gregorio.

JANELLI: I, think, Senator, I would want to make a comment on these socio-economic questions because you did raise the issue of housing and I want to express my own feelings on the subject.

I am not a proponent of public housing.

CHAIRMAN PETRIS: I'm aware of that.

JANELLI: Not necessarily because my work with the Farm Bureau, it's a personal philosophy. But I'll tell you this, that I succeeded Senator Way as outgoing President of the County Supervisors Association, Don Hillman, those two in that sequence, as Chairman of Self-Help Enterprises in the San Joaquin Valley, which is an activity that provides through Farmers Home Administration, materials and loans to low-income families that then construct their own. And if that activity were more dominant in the Sacramento area, I'd probably be in the middle of that committee. I think that this type of an activity has been proven very successful. I was hopeful that we would have more of that made available. As a matter of fact, when Senator Zenovich's bill was considered we raised the question, contacted the people, would that money be made available?

CHAIRMAN PETRIS: For materials?

JANELLI: Yes, to that extent, and they assured us that, "yes, it would be." And I gave personal support to this.

But we are equally concerned with that question.

I think most of the concerns that we have, in addition to the one I mentioned about the management, the question of compensation. It is one that has to be faced up to. I have in my briefcase an Al Stein's Report, and I guess many of you recognize he is sort of "one side of the fence", Mike Hayman is on the other, as to the questions of police power. I don't know what to suggest. Where does police power stop from the standpoint from the public health, welfare and safety, and where does it start violating the constitutional principle of the taking of property without compensation. And certainly in the consideration of land use planning you recognize the question. I think it's unfortunate that the Legislature has not seen fit to come to grips with that question, it's been one of long standing. Every treatise on the subject, every law book review it's just been a series of citations of case after case, after case. And even the courts on those cases have chastised legislative bodies for not dealing with the subject. Because as the courts so often say, each of the trials coming before us must be measured on the fact of that trial, but they have to operate without any statutory guideline.

In this area of compensation there are a lot of people along the coast that have felt the effect of the

semi-moritorium situation to rather drastic economic concerns. People that have gone through the stages of all kinds of local governmental approval and then incurred heavy expense in planning, design and engineering, and because they had not yet paid toward the foundation they had been told, "no, stop." And as you go into planning we start touching on the issue of where, as you say, should compensation be provided, and how should we provide for it if it should be?

I'm thinking of, for example, the county that decided, I don't know why, but somehow or other decided that this particular area should be 1 and 1/2 acre parcel sizes. And the first guy that read about it was the assessor who says, "Ah, \$500 per acre, farmland value is now \$5,000 per 1 and 1/2 acre -- single parcels." The second guy that found out about it was the owner when he got the tax bill. And many of them thought the Planning Commission was a lot smarter than they were and they said, "Well, maybe somebody will buy it and subdivide it for 1 and 1/2 acres." And some of those owners have been paying tax bills for 15 or 20 years.

CHAIRMAN PETRIS: And still waiting?

JANELLI: Still waiting.

SENATOR RODDA: May I ask you a question?

CHAIRMAN RODDA: Yes, Senator Rodda.

SENATOR RODDA: What you are saying, if I understand it, is that the Assessor actually assessed the land not on the basis of its use under the zone but its potential use under a change in zone.

JANELLI: Well, I don't chastise the Assessor, Senator.

SENATOR RODDA: No, I mean, that's a specific question, did he do that?

JANELLI: He changed the value of the land because in most circumstances the 1 and 1/2 parcel size designation was made because a person had applied for that. And the reason behind the application was because the person had bought the land for that purpose to develop 1 and 1/2 acre size communities.

SENATOR RODDA: Have you seen an application?

JANELLI: I know of situations where the option to purchase was predicated on the change of zoning.

SENATOR RODDA: You see, I have to interrupt here, that's where the tax factor encourages sprawl.

JANELLI: That's right.

SENATOR RODDA: And the assessors are disregarding the law.

JANELLI: I don't think so.

SENATOR RODDA: Yes, they are. Maybe not in this instance. Let's disregard this instance . . .

JANELLI: If there was a sale of a 40-acre parcel of

property, let's say \$3,000 per acre, the assessor under the Constitution and under the law was to look at all 40-acre parcels adjacent to that and say, "That's what the value is." That sale dictated the assessment.

SENATOR RODDA: Right, in that case. Now, in some instances the assessor will actually disregard the zoning status of land because adjoining land or nearby land has been zoned for a different purpose, and will begin to zone the agricultural land at a value based upon the zoning which applies to some other land, and in a sense is disregarding the law. The effect of that is to increase the value of the farm land and to force the farmer to sell his land to real estate speculators because of the tax burden. And that shouldn't be done. In other words, as long as the land is assessed for agricultural purposes, then, I think, if we are going to preserve agricultural land, then that's the value that should have to be taxed. What we are saying here is a beautiful example of how taxation in a way is affected by zoning and the acts of the assessor forces farmers to sell their land.

SENATOR GREGORIO: It isn't that simple, though, is it?

SENATOR RODDA: Well, it's a beautiful example of what's happening.

SENATOR GREGORIO: No, but isn't the assessor's real duty to determine in his best judgment what the market value of

that land is, and if there is a reasonable possibility of the owners selling it to a subdivider, then he has to take that into consideration and by law he has to determine in his best judgment what that land would go for if it were on the market?

SENATOR RODDA: And that's exactly, if I can interrupt at that point, the reason why planning is not effective in our society.

SENATOR GREGORIO: The point that I wanted to make, though, is I think that's what the current law is. So that if we wanted to prevent the assessor from taking into consideration what the true market value is and simply base his decision on what the current use is, without regard to what possibilities might be developed in the future by someone who would buy it with those in mind, then I think we'd probably have to change the law, don't we? Isn't that your understanding?

JANELLI: I think I would agree with Senator Gregorio that we'd probably have to change the law. I think that we did do that. Of course, my hero is John Williamson and with him, Jack Knox, from Monterey County. They carried the Constitutional Amendment.

SENATOR RODDA: It seems to me, though, that if land is zoned, and I'm not an expert on land law, but it seems to me if land is zoned for agricultural purpose that determines

the value.

JANELLI: I think, Senator, the big problem -- and it goes to the issue this committee is facing -- the big problem was that there was no permanency at all in zoning. My land could have been zoned A-40 today, at this council or board meeting, which meant that I'd have to have a 40-acre parcel and they could put one residence on it or possibly two. One vote tomorrow or next week could change that, and that's what the assessor recognizes.

SENATOR RODDA: Right. So the assessor sees this change taking and he anticipates it's going to happen, although it hasn't happened, he realizes the board could do that. So he begins to assess your land for that value which is based upon a speculation that something is going to happen, even though it doesn't occur. You are the farmer and you have to pay that increase in value. Isn't that right? And as a consequence we have the property tax acting as an incentive to develop farmland and at the same time the assessor is not assessing the unused urban land at an adequate level.

CHAIRMAN PETRIS: I think our consultant Mr. Taber can help clarify this. Would you?

STEVEN TABER: Yes. There is a provision in the Revenue and Taxation Code which says that the assessor must consider the zoning when making an assessment of

a property. However, the zoning is a rebuttable presumption of the value of the land. In other words, if you had agricultural land zoned for agriculture, the zoning is a rebuttable presumption as to its highest and best use. However, the assessor may make a finding that the zoning -- there is a possibility or possibilities that the zoning will be changed and therefore can overcome that presumption.

SENATOR RODDA: And they consistently do it.

TABER: Yes, that's one of the problems.

SENATOR RODDA: So the assessor in assessing land is putting a value on the land which induces the farmer to want to dispose of the land. If you study the history of agriculture, you'll find out that it has not been a very productive industry as far as profits is concerned, which include interests, economic rent, earnings on capital and investment in work. So the farmer of our society has benefited through the enhancement of land value, and that's the way a farmer survives. He works for 30 years and at the end of 30 years the value of the land has enhanced and that's what he sells or he passes on to his family, and that's what's provided him with his economic means. And that's what he is looking forward to. There was a reason. In fact the situation is the economic laws of our society work against the farmer. He is working under conditions that are pretty much what we call perfect conditions, but he is selling

under conditions what we call monopsony. He has to sell it. That's why today the poor producer of milk out there is not benefiting from the enhancement of prices because he hasn't got the kind of control he really should have over prices that the ultimate distributor or processors have.

JANELLI: Senator, I certainly appreciate your expressions of concern over the tax structure. I didn't mean to draw it out to that degree. What I wanted to comment to the committee in this area of compensation is that at least with this one type of situation you have a circumstance where if there is a zoning change, let's say because of a plan that says "This property is of statewide significance", some review must be made of the detriment as far as the value is concerned to that property. And even though an impartial appraiser might suggest that there has been no detriment, I think you have to take a second look to see what the assessor has said, because this is what took the money out of that man's pocket for many years.

SENATOR RODDA: And this is one reason why the Williamson Act is not going what we wanted it to do, really. Because the farmer who owns the land which is near an area which is going to be subdivided, wants to gain the advantage of enhancement of land value. All right, so he is very reluctant to enter into a contract because it has adverse effects during that period of the contract, even though

it's a voluntary contract. And I've forgotten the Williamson Act. But if the county is implementing the Williamson Act, then at some remote place away from the urban areas where there isn't any chance for enhancement of land value isn't very desirable to enter into the Williamson Land Act. So we are having some of the people that are benefiting primarily from the Williamson in that agriculture -- and it hasn't had the effect we wanted to have because we wanted it to conserve airable land in near urban areas. And they can't do that very effectively, because the operation, of the practice of the assessment and also the impact of taxation. And I'm sorry. What I'm trying to say is, unless we realize the importance of agricultural land, unless we want to really stop the encroachment on agricultural land which is going to be much more valuable, we have to look at the impact of taxation on the land and on the farmer and determine if that's an important inducement to urban sprawl and is an important dis . . .

TABER: To the farmer.

SENATOR RODDA: I've broken my rule, I was going to maintain silence.

JANELLI: If I may make one closing comment, Senator Rodda?

CHAIRMAN PETRIS: Yes. Now we are going to call Mr. Sedway as the last morning witness. That's all right.

JANELLI: Senator, in this question of the Williamson Act having an effect on preserving land proximate to the city, because the test that was made was the city limits, we convinced the Assembly Open Space Committee that the area immediately around the city had already been paved over. And if you followed, Senator, I don't mean to be forecasting -- Assemblyman Dunlap's bills, he gave recognition in one bill to the fact that this three-mile area was lost, literally lost. What we should concern ourselves with is the area between three and ten miles because that is the sprawl land area. So we have a new measurement now. And I think it's reasonably conclusive that the Williamson Act has been substantially effective even in the more metropolitan areas. Thank you very much.

CHAIRMAN PETRIS: Thank you, Mr. Janelli.

Now, we'll call on Mr. Sedway who is with the Sedway and Cook Planning Consultants firm in San Francisco.
Paul Sedway.

PAUL SEDWAY: Thank you, Mr. Chairman, I appreciate your allowing me to testify this morning.

My name is Paul Sedway, I am a partner in the consulting firm of Sedway and Cook and also member of the Board of Directors of the Planning and Conservation League. I am not here representing any particular position but the PCL wanted me to make an appearance at this important

hearing.

I was asked to talk to you to give you my proposals regarding the State's planning function in California. Eleven of the states in the country have already enacted some reasonably effective State planning legislation, and I think the pressure is on California now to move as vigorously as possible to do something equally effective.

A great deal has been said and will be said about what constitutes an effective State planning function, and you have, of course, been involved in that in your consideration of various planning bills. You've looked at questions of what branch of State government should be involved; the make up of the Commissioner Council which should be responsible for the process; its relationship to other State agencies; what planning functions it should have; what public information functions; regional plans; the degree to which the plan should be implemented and in what form? All of these are very demanding questions and I do not propose to address all of them in my brief remarks. But I would like to give you some general thoughts and perhaps a new proposal on legislative correction that you might wish to pursue.

In devising an appropriate proposal I took into account what I consider to be the hard facts.

First, several State agencies are now in the throws of

or nearing the end of their own planning processes, including Caltrans and the Coastal Zone Commission. Several others are getting tooled up to meet new federal mandates and are right in the middle of that process and have reasonable support -- one board, and still others are just feeling their way about what their function should be. The new Energy Commission, of course, is an example of that.

The second hard fact is that the national and its policy act probably will be enacted but we do not know yet when and in what form that will happen. And similarly, the Coastal Zone Management Act, although it has been enacted and guidelines have been promulgated, they are still rather indefinite and we do not know how those will be applied.

The third hard fact is that we have several very significant private and public studies being pursued at this very moment. One, of course, is your very own. The League's Action Plan, the County Supervisors Association Designed for Decision Study, the Chamber of Commerce Study and our own Planning and Conservation League Related California Planning Cross of Study. Incidentally, this is being undertaken by the California Planning and Conservation Foundation, which is an offshoot of PCL, and is being overseen by a task force which includes representatives from both the public and private sector. We have on that

group Standard Oil, the Sierra Club, P G & E, the League of Women Voters, the Bank of America, California Tomorrow and many others. You can see it's a rather diverse group and our firm has been serving as consultant on the study.

Let me make clear, again, that I am not speaking for that group. The recommendations should be ready to be submitted to you in about a month or a month and a half. And I think, when they are submitted, they should provide a remarkable consensus of views which certainly will be noteworthy.

The fourth hard fact is that the Legislature simply can't let this matter slip any longer. We must have action this year, if only to insure that the single purpose plans that are now being prepared, do not become the de facto State plans for the State of California. I am speaking most specifically about Caltrans and their trans-station plan, and to a rougher extent about the coastal zone plan which could, again, have a very major effect on what the future development pattern of the state will be. And I don't want these plans predetermine the content of the overall State plan when it is prepared.

The fifth hard fact is that this whole matter is tremendously complicated, as you all know, by the vast number of bills you have been considering in the last several years. There are a whole array of possibilities,

possible configurations and elements that can be included, and I simply don't think, even with all the State has come to develop, and all the separate studies that I have indicated, that there has been sufficient analysis and synthesis and public exposure of the implications of each of these possibilities into useful direction for change.

Finally, the last hard fact is that if we take the wrong approach, precipitately -- and it's hard for me to think of this as precipitous since we have been considering it for four years now, but if we do take the wrong approach it could set us back another ten years. And having been involved in the State Development Plan in 1964, I don't want to be appearing before you again in 1984.

As background to my proposal, I'd like to give you a lesson from nearby, which I think is somewhat instructive and maybe of interest to you.

Our firm is now undertaking a study for the Oregon Coastal Conservation and Development Commission called OCCDC, to determine if there needs to be the new Oregon State Planning Agency called LCDC. Everybody likes those CDC initials.

The LCDC, which is the State Planning Agency, has a very fine staff and a dedicated commission, but it is found that it has been given an almost impossible charge with

its very limited staff and funding. That is, to come up with State goals and guidelines which are specific enough for local government to include in their plans and programs, and which will adhere to the State goals and guidelines.

In Oregon's far reaching bill Senate Bill 100, which created the LCDC in 1973, the Commission also was charged with granting permits mostly for certain kinds of public activities -- for schools, transportation, sewage disposal and water supply and local government was given the responsibility, once these were promulgated, which will be in January 1975, to adhere to them within one year of their promulgation. And it's fast becoming clear from our work up there that the challenge to the State has really been almost impossible. They are required to come up with goals and guidelines which would be meaningful to the most unsophisticated local government in Oregon. I don't know where that would be, but I presume there are some local governments that have very limited planning staff and very limited knowledge of planning process. So it appears instead that LCDC will be recommending a model planning process, instead of actual goals and guidelines to the State that really mean anything and have any substance in its contents. And this is having the effect, I think, of questioning the whole validity and strength of the State planning process, and has in turn,

unfortunately, reduced the staffing budget of the LCDC legislative action recently. The State simply cannot promulgate meaningful goals and guidelines for local adaptation given the wide variety of conditions that exist in the State of Oregon. If you are familiar with it, they have a coastal range, they have a central valley which is called the Willamette Valley, the Cascades, the Eastern desert, a full range of areas and a whole of various sizes of cities and counties which are supposed to follow these state goals and guidelines. They also charge counties with the responsibility of overseeing the work of cities in this regard. Counties have to review the few ordinances and plans to see if they meet the state goals and guidelines; if they don't, then the county is charged with rewriting those plans and county ordinances. Any of you who know how complicated it is to enact a couple of zoning changes knows that this is fanciful, to say the least.

So, certainly, it is true we can't resolve all the issues and difficulties in advance, and most of our legislative proposals have to leave much to good will and to administrative resolution once the law is enacted. But I think we have to have far more in order to achieve success. The bottom line, the real arena for action, the generally unarticulated and avoided area of controversy is local

government's land use regulatory powers. This is at the very heart of meaningful State, regional and local land use, planning and control.

We all remember the story about the husband and his wife who said -- the husband said he was certainly not henpecked, that he and his wife had a 50-50 arrangement, 50-50 in terms of the decisions they made. She decided where they would live, work and go on vacation; and he decides whether Rockefeller should be approved as Vice President and whether wage price controls should be imposed. And I think there is an analysis here, to be very specific, about the state putting his own house in order, as the saying goes, in showing coordination among major state planning and development agencies, while leading local land use prerogatives into good will and to later undefine resolutions or differences over interpretation of guidelines is, I think, a very stimulating kind of compromise, as between a husband and wife. The part of this is that state and local planning are integrally related and they are connected by the necessity for some meaningful intergovernmental framework to allocate responsibilities for land use regulation. And this allocation must be related to each local, to each level, it must be related to the particular interests, the capabilities and the perspectives of the various levels of government.

In our study for the PTF we found seven different model approaches dealing with regulation. I think those might be of interest to you. We surveyed what's happening around the rest of the country and we came up with seven different models.

The first is direct State control over land use. This is what is happening in the states of Hawaii and Vermont.

The second model is State regulation in areas of critical state -- what is called "critical State concern". That is the Federal law based essentially on the urban lands through the Land Development Code.

The third is State regulation in legislatively designated geographic areas. This has occurred in Delaware, Michigan and here in California under the Coastal Conservation Act.

The fourth model is State regulation of distinct elements or functions. This is the Massachusetts main and the Oregon experience that I just mentioned.

The fifth is State delegation to regional entities. This occurs, of course, in Minnesota with a delegation to St. Paul, Minneapolis Twin Cities Council. Here in California to the Tahoe Regional Planning Agency and to BCDC.

The sixth model is State development action programs. The best example of this is the New York State Urban

Development Corporation, which has actual powers pursuing appropriate developments -- large scale developments, although now without power to override local assigned decisions. It also occurs in Puerto Rico, in Louisiana and new community tracts.

Finally, the seventh model is what I call State planning studies without current implementation. There are major commissions involved in this in Colorado, Alaska and Maryland.

But with that background and with those hard facts and given my initial survey of realities and uncertainties, I would like to come up with a proposal for your consideration, which may at first blush appear to be a set backward, but I don't think it is, and that is that to illustrate your considering using as an interim measure in the State planning problem, to address the State planning problem, what I recall the California formula. This is a plan making implementation conceding regional and local government involvement and development controlling interim commission. I won't use the term "study commission" because it's more than a study commission. I think it should have powers to undertake the planning process, to undertake the development of a plan and at the same time to actually oversee and administer the regulatory process. This California formula

was used successfully with BCDC and will be equally successful with CCDC. This approach has all the assets of visibility, public exposure, of testing of approach of full liaison with local governments. It avoids the problem of very great expectations based upon an early scheme which may have been devised without fully realizing what it would cost, the necessary abdications of responsibilities by different levels of government and the cost in turn of the new responsibilities which may be given to different governmental agencies.

To set this interim agency up, I would pick among the seven models I described and take some features from each. During the interim plan-making period I would give whatever Commissioner Council has created -- and I personally believe it should have representation from all levels of government and from the public, regulatory powers following.

I think it should have regulatory authority over legislatively designated geographic areas and certain special elements or functions of statewide significance.

I would also use model five and delegate many of the powers to legislatively mandated regional agencies which I believe can be more sensitive to some of the local planning issues that to some of the State, regional and local planning issues that must be addressed.

Let me close by emphasizing the importance of the regional level. Over the last few years it has become fashionable, perhaps because of the new interest in State planning, to overlook and to downplay the importance of regional decision making. I would simply like to reiterate that this cannot be avoided. It simply is not geographically or democratically possible to make key decisions, to allow public exposure, to appeal the decisions without having some agency which is within striking distance of the persons affected. And that probably would be something like a two-hour automobile drive. I don't think that this can be administered in Sacramento or even administered by some decentralized State planning agency throughout the state. If we rely solely on State and local governments, as they are doing in Oregon right now, I think our most central concerns -- transportation, metropolitan open space, housing opportunities, air pollution, regional recreation, solid waste disposal, all of these, would simply fall into the crack between these two levels of government or perhaps I should say into the chasm between the two levels of government.

I was trying to think of one possible name for my new conception of an interim agency, and it might be called the State Planning Environmental Conservation Inter-governmental Function and Implementation Council. The acronym

for that, by the way, is specific. So I suggest that we do the specific as early as possible but also that we be systematic and move very deliberately but vigorously into the role that the Californians once had, namely, leadership in planning throughout the country.

I'd be glad to answer any questions you might have.

CHAIRMAN PETRIS: When did we have that?

SEDWAY: Leadership in planning?

I think California was a leader in planning, certainly at the local planning process, during the late 50's and early 60's. Certainly the State Development Plan program until 1959 and 60 was unique in the country at that time. There was no other. And the local planning law which had been amended throughout the 50's was the most power reaching of its kind, but we did once have that.

CHAIRMAN PETRIS: All these others have now surpassed us.

SEDWAY: I recall the statement by Mr. Hedland of the Twin Cities Council when he addressed the California Tomorrow Conference, he said, "I lecture back here every five years and see that California is still a leader in planning and I bring you that message again today, California is still leading in planning and surpassed only by Delaware, South Carolina, Georgia, Mississippi, Alaska, North Dakota" and went on with about 30 other states.

CHAIRMAN PETRIS: All right, any questions by Senator Rodda? Senator Gregorio?

SENATOR GREGORIO: Do you feel that regional and state-wide bodies should have some very specific kinds of powers to prohibit and also to require certain kinds of uses at the local level?

SENATOR GREGORIO: Would you address yourself to the question of compensation that we have been talking about this morning in various ways? Mr. Wornum talked about it, Mr. Janelli talked about it.

SEDWAY: Right.

SENATOR GREGORIO: And we've been talking about it up here.

SEDWAY: I'm torn by unjust compensation as everybody else is between my instincts as a lawyer and policymaker. That person's expectations with regards to the profitability of the land simply is not recognizable under the law as it has been interpreted by many of the most distinguished legal scholars. I'm torn because I balance that against the need for some effective regulation. So, I think, that California again should take the leadership role by experimenting in this field as well. And I think we should experiment probably by using the transferable development rights approach which is a way of dealing both

with the wipe-out problem and the windfall problem, and certainly any schemes to compensate anyone based upon existing zoning and not on their expectations. I don't think anyone should be compensated based upon the assessed value of land.

SENATOR GREGORIO: Even if they have been paying taxes on that expectation for a decade?

SEDWAY: Even if they have been paying taxes on that. I think the starting point would have to be what the current regulations would be. So, even if we do base that compensation on that kind of base, then there has to be the corollary, namely, that any new public approvals there should be some public restitution of the values which are conveyed to the private owner, based upon that public approval.

The transferable development rights scheme, which you may have heard something about and a lot of potential has been given to it recently, is a scheme by which owners with proposed developments which are considered to be appropriate for more intensive development must buy the development rights from those owners whose lands are located in areas in which development is prohibited or should be postponed. This would be a way of dealing with the problem without getting into the immensely costly problem of compensation. The State simply can't afford to compensate everybody who has a diminution of value. It would be a way of encouraging

development in certain areas and it would be a way of obtaining some restitution of the public opponent of the value which is imparted to the first developer or owner.

SENATOR GREGORIO: So you'd create a market in effect in development rights?

SEDWAY: That's right.

SENATOR GREGORIO: What about the problem of the need for particular kinds of uses where the owners are not particularly interested in developing that kind of use? You know, low income housing, some forms of transportation and other kinds of things, how would you address yourself to that?

SEDWAY: I think there is a very appropriate role for the regional government inserting these factors. All of the attention has been given to, what levels of government can deal with what kinds of functions? We say that the State should have responsibility for everything. In some instances local government should maybe have some sort -- they should follow the goals and guidelines with regard to the same function. So we've seen the problem that this creates under the Coastal Commission and Mr. Shoup probably will discuss that with you. There you have a state level agency which has responsibility for absolutely everything.

I was talking to Mel Lane and he says probably the second most controversial problem that the Coastal Commission has ever faced after the offering of a power plant was a proposed swimming pool on a bluff over La Jolla. It consumed an enormous amount of staff time and there were public hearings and appeals to the State. I think it's a great example of the kinds of things the State should not get involved in. So I'm saying that there are certain kinds of functions that are State's responsibilities, certain kinds of functions that are regional responsibilities and certain that are local. And so the one you mentioned, Senator Gregorio, are the ones that, I think, should be given to legislatively mandated regional decision making agencies to consider. Certainly the housing problem cannot be adjusted effectively at State level, it cannot be adjusted effectively at the local level. Housing, I think, is essentially a regional matter and there would have to be ultimately some kind of regional commission.

The best act pertains to some powers with that regional agency in case there was not proper local activity for the regional agency to come in and effectively bring about the kind of development that it thought it was needed in the particular area. Do you see that as a prototype for other kinds that are needed to develop?

SEDWAY: No, I certainly don't. No, I think BASA is a very good example of what we should avoid. BASA is a single purpose

SENATOR GREGORIO: Not necessarily the single purpose but it gives to the regional agency the right to do this in a number of different fields on a coordinate level. At her basis. You would disagree with that concept, I think.

SEDWAY: Not with that concept. There has to be some way for regional government to allow local government to fulfill certain functions. Now, housing to the area mentioned, the reasonably responsibility there would be the basic planning responsibility, namely, to indicate where the most appropriate locations for new housing should be with regard to job opportunities. And, ultimately, we are going to have to come down with a system of fair share system based upon sound planning principles, both governments assuming a certain level of housing -- approving a certain level of housing in . . .

SENATOR GREGORIO: What if for some reason the housing just doesn't get developed where the regional and local people say that it's appropriate -- the economic and other kinds of considerations. And it all adds up and you need the housing and it isn't there, what do you do then?

SEDWAY: We need a State housing development agency, without question, which is sort of outside of the planning

rate or sphere. But I think there should be some housing development agency which could have responsibilities similar to UDC, the New York State Urban Development Corporation, in working with local government through public subsidies to develop certain kinds of housing in appropriate locations.

SENATOR GREGORIO: Consisting with the regional and local . . .

SEDWAY: Consisting with the regional and local plans. Again, I'm dismissing that rate, that's not as easy as it sounds. But in New York state they tried the override, that didn't work politically. And there are probably some other devices to get some mutual input to this problem. Where should housing go; what should it look like; what kinds of services should go along with it that doesn't tax the local taxpayers fiscal situation and the like. I better give up.

CHAIRMAN PETRIS: Can you give us any comment on the Hawaiian plan, are you familiar with it?

SEDWAY: The Hawaiian plan is not directly analogous to California. Hawaii, of course, is the biggest one of our small counties. The Hawaiian plan has divided the responsibilities up between state and recently has delegated more responsibilities to their county governments. They do have a State of Natural Resources Commission. They divided the state into four zones: Urban, rural,

conservation and natural resources, I think it's called. The fourth category, the natural resources, is essentially a State function, whereas the other three are county responsibilities. The Hawaiian system has not been working too effectively recently because of the counties' inability to withstand all the pressures. They, like California, are dependent upon their own tax base and so gradually the initial plan that was formulated is withering, the initial grant concept is no longer viable and they have recently gone back to new powers at the State level, therefore we have yet to see if that's going to be effective.

CHAIRMAN PETRIS: Do they have a moratorium going there on building in certain parts of the state?

SEDWAY: In conjunction with the new legislation there is some sort of moratorium, I can't recall what the exact nature of that is. But that would not be what I would propose in my scheme. Moratorium is a bad approach, it doesn't give you the kind of insight that you need based upon the decision-making process that you go through. So I think there is a value in my specific plan through the interim decision-making process while the plan is being formulated to gather the insight based upon the needs for these interim regulatory decisions which would help the planning process. I think this is occurring in the Coastal Commission's work. Certainly we can't go in

during this interim period with some sort of State zoning, but there would have to be some kind of permanent procedure which would occur and certainly no (unintelligible) moratorium.

CHAIRMAN PETRIS: Can you give us some suggestions on how in California we can use the Environmental Impact Report requirement as a more effective planning tool?

SEDWAY: I think the Environmental Report requirement is a fine concept but in practice is counterproductive. In our experience, and we have done a few, the EIR is really an exercise in frustration. What it does is it expends a lot of time resources in coming up with findings which typically are not recognized fully in the decision-making process and it's really creating a sort of a third planning process which is parallel but it doesn't really intersect with the planning process. You've got planning regulations and EIR's and they just don't get together. I think that the EIR concept, namely the assessment of impact of each development should take place but somehow it should be more closely related to the planning in zoning process. I think there is also the opportunity to pass on the costs of development view to the private developer, which is the main contribution of the EIR principle, where they do tend to fund their own impact assessments. But I think, ultimately, you will have to modify the California Environmental Quality Act to bring us more in line with

the planning and zoning process of the State. I don't think the EIR is a useful model to be applied at the State level. All things they consider are useful: Inputs, alternatives, litigation, measures, all those things that are really a part of a well conceived planning and zoning process. So I don't think that the EIR itself has much affect on what the State planning/^{process}should be, and it should be related more closely at the local planning process.

CHAIRMAN PETRIS: Any other questions? Well, thanks very much, Mr. Sedway.

SEDWAY: Thank you.

CHAIRMAN PETRIS: This concludes our morning session, we'll resume at 2:00 o'clock, if that's all right with the members.

I noticed we have some students here today from the University who are following our proceedings. Our special counsel, Mr. Harriman, has offered to make himself available -- on adjournment now -- to answer any questions that the students might have as to our procedure and the function of our committee and so forth. Mr. Harriman, here on my left, will be available for those of you who may have some questions. We'll resume at 2:00 o'clock.

CHAIRMAN PETRIS: We'll resume our meeting. Senator Rodda had to return to Sacramento and Senator Gregorio will be here shortly, but we are going to move ahead in the interest of getting as many witnesses on as we have available. Our first one for the afternoon is Mr. Shoup. Is he here? No, then...Mr. Fischer.

MIKE FISCHER: Good afternoon, Senator, Ladies and Gentlemen, I'm Michael Fischer, Executive Director of the North Central Coast Regional Commission. Jack Shoup called me at 7:30 this morning and asked me to stand in for him. He has an important meeting that started yesterday morning and they vowed to closet themselves until the definition of what the coast plan is going to look like has been determined by our chief planners of all the regional commissions, and evidently, they are still at it. I apologize for his absence.

I guess the reason that we are here is that when Proposition 20 was passed and the people of California created the Coastal Commission they created the closest thing to statewide planning agency that California now has and this proposition mandates the preparation of a comprehensive plan for the sliver of the state anywhere along the coast.

The end section of the plan is supposed to recommend a continuing scheme or organization for statewide coastal management. We've divided the coast plan, which is not under preparation, into nine chapters. Perhaps you've seen some of the flyers that come through on the first eight sections of the plan. The ninth section has to deal with powers funding and government organizations. That chapter has yet to be drafted, so my comments are really quite preliminary and in the nature of personal observations and ideas that have been tossed back and forth. We have no proposals as yet to make, however the proposals from our region as to what structure a continuing management function should have will be adopted by the end of November or beginning of December, so it's relatively a short time that we are talking about. The coast plan that we are to prepare is going to be completed very quickly. The deadlines that Proposition 20 placed on us were for the regions to have theirs finally adopted and mapped plans into the State Coastal Commission by April 1st, which is the deadline that is thundering down on us like a freight train.

Let me shift now to the general thoughts and criteria that we have been discussing for a continued coastal management agency. Again, emphasizing they are just thoughts. We do have draft policies that are being reviewed

by our political science experts and government agency people now. These policies start out with the concept and the assumption that there are State interests, regional interests and local interests in comprehensive planning. The local interests are so far relatively well met. In some areas there are at least nascent regional planning bodies but there is also very clearly, particularly in the case of special areas such as the State -- of statewide interest, ideally, a coastal management agency, we feel, at this stage should be a part of an overall more comprehensive statewide land use planning operation. Again, after all our jurisdiction covers only a sliver of the state and we've already found that there are routes of tentacles or extensions of all the problems that we've had to rustle with in land. For example, Proposition 20 requires -- and coastal management requires that we look at the water quality aspects of coastal development. Is it going to pollute an estuary or stream? We found that one of the most serious polluters in the North Central region is the septic tank. And we found that in working with our sister State agency, the Regional Water Quality Control Board, that we've had to establish our own criteria with their expert help for septic tank location. How many feet between the bottom of the leach transient and the top till ground water, and that sort of thing. These standards, sometimes conflicting with the local County Public Health standards,

are not standards we feel that ought to be special to the coastal zone, they would have statewide application. Similarly with forestry or construction on stable geologic areas, we have to address each of these in drawing up a comprehensive State plan, but the policies that we are developing for the coast would have equal applicability in many other areas of the state.

Energy is another key example. We very clearly understand that while location of either fossil fuel or nuclear power plants on the coast might have detrimental effect to the coastal resource, that the needs of the entire state must be taken into account in locating these, we do not now have the expertise, the local input or the resources to be able to study the effects of a power plant location in the Central Valley and the use of agricultural waters or the effect of the atmospheric effects of big cooling towers. But we know that when coast power plant locations come to be chosen that those Central Valley effects have to be taken into account just as coastal environmental effects need to be taken into account. And, we, now, just a sliver agency can't do that. Therefore, ideally, a continuing coastal management function should not remain just a sliver agency but should be a part of an overall statewide policy making in priority setting process. However, our recommendation is likely to recognize that the

statewide agency doesn't exist. In this area our recommendations are likely to be -- again, this is preliminary -- very similar to BCDC's 1969 recommendations. #1 BCDC came to the State Legislature after the end of their study period. They said, ideally, the State conservation function ought to be one function of a multiple purpose directly elected, I think they said, regional agency. And that was their first recommendation. Then they said, however, in the absence of that sort of an animal, we'll recommend the continuation of BCDC as a single purpose special agency with a strong proviso written into the continuation law that upon the creation of the regional agency BCDC would be blended into it. It's possible, perhaps probable, I don't know, but that's the kind of recommendation that we would make to the State Legislature.

Without much order here are some of the characteristics, powers, and inter-governmental relationships that we see ^{are} in ongoing coastal management functions/having. Firstly, perhaps foremost, I guess is accountability and visibility. The Coastal Commission created viable to the people has very consciously attempted to remain visible and open. Our region, particularly, in both the permanent and planning areas has maintained a mailing list in the five to ten thousand range, sending out our agendas and our planning reports. I think the smallest audience that we've had at

any of our meetings, and we've met probably 50 times now, the smallest audience is in the neighborhood of 75, and audiences of 200 are not uncommon. The Central Coast Commission in Santa Cruz on one of their key meetings had an audience of 2,000 people. That's something that I'd not look forward to, but it's that sort of a visible process. That would be a criteria of any priority setting in policy-making statewide agency.

Second, some kind of permanent authority, we would find to be essential. Perhaps that's one of the reasons why our agency is feasible and why in preparing our coastal plan we think we'll be able to demonstrate that it's realistic and hardheaded. We have to a large extent ensaddled and burdened with permanent authority so far because Proposition 20 says that virtually every fence post placed on the coast would require a coastal permit. It is probable that we will be recommending that most of this permit responsibility be delegated to local agencies under a general criteria. We will probably, and these, again, are all recommendations to our commission that has not acted, we will probably be recommending a coastal plan that says, "these are areas to be reserved for agriculture, here are areas to be given high priority for park land acquisition and here are areas where development is appropriate." And in those areas such as Half Moon Bay, Santa Cruz, Los Angeles, Jenner,

Bodega Bay would probably delimit generally the area for urbanization, lay out a list of criteria perhaps including a general indication as to the size of the population to be in that area and then say, Sonoma County or City of Half Moon Bay, here are the coastal needs from a statewide and the regional perspective. Prepare a specific plan or let's review your own existing community general plan. If it's consistent with the objectives of the coastal plan -- a statewide plan, we'll put a blue stamp of approval on that specific plan and then guarantee by that approval that the local agency has total jurisdiction for permit review, so long as the development is consistent with the specific plan, with no possibility of appeal to the Coastal Commission, so long as that development is consistent. If rezoning or redefinition of the specific area plan is required or requested by the local agency, that modification might be given to the Coastal Commission and if it's approved the local agency would retain permanent jurisdiction.

SENATOR GREGORIO: Who would determine consistency, a court of law?

FISCHER: The Coastal Commission, I would think.

SENATOR GREGORIO: So there would be an appeal on the basis of consistency only?

FISCHER: Yes, indeed.

One of the issues being debated right now -- and there is difference of opinion within both the staff and the commission level of the Coast Commission -- is whether or not there needs to be regional coastal commissions. That there is a statewide interest in the statewide coastal resources, which is, I feel, accepted as given by the majority of us involved. And that there is a reasonable and a legitimate role for local self-determination which is also given. The question is, do we during this interim period prepare a coastal plan listing the statewide interest, then deliver it up to the local agencies, the counties and cities and say, "okay, Jasper, this is the coastal plan, prepare your specific plans and you have all continuing authority with a statewide coastal agency being a monitoring agency just to look over the shoulder and make sure that consistency is retained"? The statewide body is seen by some as a five-member fulltime coastal board hearing appeals and perhaps reviewing and modifying the coastal plan based on new information -- by others of us, an intermediate regional level agency is required. The distance of a state level coast commission looking over a local agency's shoulder scene is too great, and thus, a continuing regional coastal commission rather than just regional staff offices is seen as a desirable thing. Again, primarily for the purpose of information gathering, there is one thing we've learned

but there are lots of things we don't know, particularly about the marine life and ocean processes and the environmental effects of man's use of the coast. So a continuing regional State coastal management agency would have information gathering, priority setting, policy-making and plan review authority, and that's their principal function rather than permit jurisdiction. Those of us who feel that there is a proper and legitimate role for a regional level coastal body, again, put in perspective of the need for comprehensive planning, would see a tougher role for COGS. That perhaps in those regions where COGS do exist and along the coast there is ABAG in the Bay area, ANBAG in the Monterey area and SCAG in the San Diego CPO. We have only the isolated part of the coast down near Santa Barbara and the north coast that doesn't have COGS. In those areas it may well be that the regional coastal commission could be a committee of those comprehensive planning agencies. Because of our region's commitment to this sort of comprehensive regional planning, we've entered into a Joint Exercise of Powers Memorandum of Agreement with ABAG. They have assigned a liaison staff person and we touch base on a day-to-day basis with the association at the staff level. There are seven members of our 14-man commission who were former members of the ABAG Regional Ocean Coastline Committee, and there are three members of

our commission who still are members of ABAG Ocean Coastline Committee, one of them is ABAG's Chairman of that committee. So we feel there is a real role now for coordination with COG's and there is a potential future role.

The final point I'd like to hit deals with relationships with other state agencies, statewide planning -- and we've learned this certainly to be the case with coastal planning which is going to be effective not only if there is a negative permit review of "No, you can't do this in this part of the coast" sort of power, but that there also be a positive power, an ability to take positive action to restore coastal resources that have been degraded or to develop areas that are required to make the coast accessible to the people of the state. To that end our relationships with other state agencies have been high on our list of things that we must do. We found that water quality has been an area, forest practices, geological hazard review, road building, agriculture, which are all issues that we've been forced to address -- issues that we don't have expertise, experience and staff in, so we have so far been leaning heavily upon these sister State agencies in helping us come up with plan recommendations. The planning function is a policy-making, priority setting, and coordinating tool, and wherever you'd locate the State Office of Planning that's one of the things you are considering. It need be

directly related and accountable to the State's elected policy makers and it need be located so that it can participate fully in the priority setting, which in local and state governments is usually budgeting, and it need also be located so that it can effectively assist in coordinating the actions of many of the operating agencies. This coordinating agency or coordinating activity is much different than an operating agency; I'm certain you know. One small example I'd like to leave you with since I guess the point I'm making is that I think that a State planning office or a continuing coastal management office shouldn't be a subsection under the Resources Agency or something down on the line level. But in city government parlance it should be in the city manager's office as part of the management coordinating function rather than being an equivalent to the Public Works Department.

Here is an example, the State Department of Parks and Recreation, an operating agency, also sets priorities for park land acquisition. And that's one of the major recommendations we are going to be coming up with in the coast plan, a list of coastal acquisition priorities. These priorities that we recommend are likely to be significantly different from the priorities so far developed by the State Department of Parks and Recreation. We found that their priorities are very heavily weighed

by very short-term considerations.

Here is an example, in the Sonoma coast, just north of Bodega Bay, is a long stretch between the Russian River and Bodega Bay of fantastically beautiful undeveloped coastline. The highway is from 100 feet to 200 yards from the bluff top. Long views along this stretch are presently accessible. Within this 10-mile stretch are two very small subdivisions of 20 units each. Pacific View Estates is the name of the subdivision. When a permit came up before us in one of these subdivisions our original commission denied the permit on the grounds that it's impact upon views would be great, that even though the subdivision was there -- there were only two houses in this 20-unit subdivision and they were tucked behind the hill, this house was in the middle of the long 10-mile view -- that was our first reason; second, this small subdivision was immediately adjacent to a state beach and was located so that it would be a fine candidate for acquisition, for expansion and better use of that state beach, and indeed was also located so that acquisition of the large acreage on each side of this development would be made much less valuable if the 20-unit development builds out. The visual effect of buying the two 500-acre ranches on each side would become much less valuable.

Mr. Mott concurred and very strongly said, "Yes, this

20-unit subdivision is a proper and necessary State Acquisition priority." And based on that concurrence the commission at the regional level continued to ratify its denial. However, the State Public Works Board stepped in with the money in hand. There was a bill authorizing \$3 million to acquire all land in this particular scenic area. When Mr. Mott's office attempted the purchase of this individual's lot in Pacific View Estates we recognized that this individual was being injured by the denial and we asked that high priority be given to purchasing his lot and Mr. Mott's office did give such high priority. However, the State Public Works Board said "No, the authorization to purchase this estate is rescinded." They had earlier given it. Frankly, we had never heard of the State Public Works Board before. We run into them to our dismay and the State Parks Department in response to that when we then approached the Trust for public land saying "There is an interim need to pick up this property and help this fellow out. It's going to be on a high priority risk for land acquisition, the money is there." We have an interim problem of the State Public Works Board that won't authorize an acquisition.

Then the Trust for public lands went to the Department of Parks and Recreation, Parks and Recreation said, "Public Works Board said "no"; therefore, it's not on our priority list anymore. And they find it incredible to hear that

we, in our long-range plan would be considering it for purchase anymore. Again, my point is that an operational agency with ongoing day-to-day needs comes across assembling blocks like this and drops it, the loss of this good would be certain, yet unless there is an overall comprehensive priority setting function...

CHAIRMAN PETRIS: Do the Boards give a reason for...

FISCHER: The principal reason that Mr. Orr speaking for the Board gave was that he wished not to set a precedent for wasting the State's money on already subdivided and improved lots. Their streets and utilities are in for this small subdivision. He said, "You get much more bank for your buck if you buy the 500-acre ranch next door, that only cost \$2,000 an acre and this costs \$20,000 an acre." So he said to buy this would set a poor precedent statewide. There were also comments made such as "The administration doesn't want to bail out the Coast Commission."

CHAIRMAN PETRIS: Well, we'll have to do something about changing that power in the law. Do they get veto power?

FISCHER: Before the exercise of eminent domain is authorized, it requires the approval of the State Public Works Board.

CHAIRMAN PETRIS: Do you know of other examples like that?

FISCHER: I have heard of others, I don't know of any to give you today. I'd be glad to do some...

CHAIRMAN PETRIS: Yes, Will you check those out for us?

SENATOR GREGORIO: We should do something about this.

CHAIRMAN PETRIS: Senator Gregorio, do you have any questions or comments?

SENATOR GREGORIO: I really haven't gotten my thoughts together here.

The Commission seems to have focused on the area of jobs versus the environment, at least in my area it has been...can you comment on that whole general thing? What your experience has been and how do you think we can reconcile these forces in shaping a statewide planning mechanism?

FISCHER: There are several different thoughts. First, in the South coast region of Los Angeles, Los Angeles Region of the Coastal Commission, I read yesterday the statistics that during the first year and three months of the Commission's life that permits for residential construction in the Los Angeles region were granted by the Coast Commission sufficient to house a population of 18,000 people, just within the 1,000 yard strip, and within Orange County another 15,000 people. This exceeded by some 10 times the development projections of SCAG for the coastal region. So, in the highway urban areas of our coast, anyway, the

jobs versus environment issue I don't think has been that joint. Development has not been stalled, but some would say, because the attention directed toward the coast has been accelerated. In our region and I think in San Mateo, Santa Cruz area, the observation has been just the opposite. Dean and Dean Development and yours, and the Transentry Development at Bodega Bay is another in which labor interests express extreme displeasure at the stalling of the construction process.

My observation rather than any information or date to give, is that Proposition 20 was meant to change the ball game. And in the absence of legitimate vested rights -- property rights on the coast, that the purpose of our legislation and of our trust is not to stop development but to redirect it, and that by saying, "housing construction doesn't take place at Transentry, Bodega Harbor or Dean and Dean," we are not saying to the Bay area housing market or the Bay area labor market, "these houses ought not to be built." We are instead saying, "they ought not to be built here." And we have a long list of very defensible reasons why they shouldn't be built there. In both the cases those subdivisions are within easy commute distance of employment centers away from the coast, and in essence they would become first-home subdivisions. And in both of the cases the labor market of those housing units are

going to serve Santa Rosa in one case and the San Mateo-Redwood City area, San Francisco area in another case. There is an average supply of unused land for the construction of housing, so, Senator Gregorio, I'm not sure that's responsive to your question...

SENATOR GREGORIO: Well, basically, you lack two things which look like you'd have a little more effectiveness in that area. First, is the jurisdiction over the areas where maybe housing ought to have more priority, and the other thing is an effective way of bringing that about by affirmative action.

Do you think that those things would be appropriate in the state mechanism?

FISCHER: Yes, sir, I do. Particularly if it has a regional level initiating policy setting. The housing in question is really a regional, I think, in the Bay area.

SENATOR GREGORIO: Mr. Sedway indicated he thought so too, and he said that perhaps the decisions ought to be at the regional level but if nothing was forthcoming that the initiating action might come from say, a state housing corporation, which would get things going if regional zoning and other kinds of planning didn't induce it.

FISCHER: In this region the chairman of our Coastal Commission, Margaret Azevedo is also the chairman of the ABAG

Regional Housing task force, and through her tried to tie into this, ABAG has taken -- I understand from people at HUD to whom I've spoken, a national leadership to further along and developing a real regional housing policy than most other metropolitan areas.

Let me emphasize the kind of circular nature of our planning, and I think this ought to be carried on to any statewide land use planning procedure. As I said, we are very conscious of the need to involve the public, citizens and other State and local agencies in our planning process. Most of all of this, 90 percent of it, happens at the regional commission level. Our regional commission has held some 45 -- what we call citizen forums discussions, so far, and at each of these citizen forum meetings held on the coast and in a couple of instances in Oakland, citizens have informed us and have had their ideas written into policies that were adopted by our regional commission, recommended to the State Commission and they are now formally adopted as statewide Coast Commission policies. And I can remember the little lady there saying it to me, there has been that sort of input from the regions to the State. At the same time, before we recommend policies on each of the areas that we've addressed, agriculture, marine fisheries, transportation, that sort of thing, the State Coast Commission in order to eliminate the duplication of

each of the regions doing a task themselves, has done what we call "The Homeowner", and on each of these plan elements they have assembled the staff or consultants and prepared a background report with data and information laying out the issues. It has come to the regions, we have been able to accept it, modify it, expose it to our citizens and then bring it back to the State. It's been a circular arrangement and I see that as a very valuable learning experience that we've had, and I think that that would be an effective process to apply to the State Planning Agency. It's a different arrangement that now exists with the State Water Resources Control Board for they are relatively autonomous and there is some friction between, as I understand it from the regional level, anyway.

SENATOR GREGORIO: Let me go into one other area. You had a chance to work with policy making with people in a mix of appointments from the State level plus people who represent local government -- locally elected, if you'd care to comment, maybe you won't care to comment, but if you'd like to I'd like to have just your personal judgment about how that works and whether that's the best kind of mix or whether we ought to have directly elected people at the regional level and the State level, or what?

FISCHER: I will comment without naming names and indicating that there are differences between these new

commissions. The commission for which I work, I feel, is a very positive, constructive mix of individuals. Those people appointed by a local agency and those people appointed by the Governor, the Senate and the Assembly have all worked together very constructively and I can't say that the local officials are bad guys and the public members are good guys, it's not possible to say that at all, but it's possible to say that without exemption all of the 14 members of our commission represent a wide spectrum of pro property rights, pro development. I think you could say that there are three of our commissioners on that end of the spectrum and there are others of whom one commissioner has said, "This fellow wouldn't even grant a permit for a bird's nest." This isn't true. There is that range. And we've found that the discussion and the challenges that have come from this commission, all constructively and positively oriented, if we had only that wide of spectrum represented and if there had been only five members of the commission rather than 14, it might have been a much more narrow representation. It worked in our region. In other regions, not so well. It's understandable, you know. North coast, where Proposition 20 failed very heavily, about 60 some odd percent of those, it's understandable to expect that most of those appointed in the local agencies would not be positively or constructively oriented toward the objectives of the Act. Under direct

election, in own judgment that doesn't correspond, paradoxically speaking, to the criteria for political visibility. The more boards, commissions and bodies that you require to be directly elected, the less visible all of them become.

SENATOR GREGORIO: I agree.

CHAIRMAN PETRIS: Mr. Harriman has a question.

RICHARD HARRIMAN: I'd like to ask you one question. Are you familiar with the Bill AB 2144 which was the bill introduced by Assemblyman Burke on behalf of the Chamber of Commerce?

FISCHER: No, sir, I'm not.

HARRIMAN: I'm not surprised that it was introduced late in the session and amended. There were two sections here. In analyzing the bill I was uncertain how to understand them or feel about them.

One is, "The provisions of this title shall have no effect within a primitive area . . . and the commission shall implement any Coastal Zone conservation plan approved by the Legislature pursuant to section" Then it exempts the Tahoe Regional Planning agency and BCDC.

Do you have feelings on how the transition from the Coastal Zone Commission to a statewide commission should take place? Do you have some sense of how that transition could be done in an orderly fashion?

FISCHER: No, Mr. Harriman, I'm not prepared to answer that; if I think about it I'll give you a phone call.

HARRIMAN: Okay, fine, that's AB 2144, Section 64902.3. I just like a reaction to that because we are going to be very concerned on the subcommittee staff about how to have your jurisdiction move in a statewide plan, if we go to one.

FISCHER: I see Jim Carroll is here so you might ask him the same question.

HARRIMAN: I'm planning to.

FISCHER: I will give you a call.

CHAIRMAN PETRIS: Thank you very much.

FISCHER: Thank you, sir.

CHAIRMAN PETRIS: Professor Twiss, do you want to come forward? We have an easel for you if you want it, over here.

ROBERT TWISS: If you invite a professor you have to put something on the wall, be sure of that.

In the interest of time I'll begin and then refer to these documents here in just a moment.

I'm Professor Robert Twiss of the University of California at Berkeley. I'm not representing any citizens' group and I'm certainly not representing the university, but I was asked by your consultant, Richard Harriman, to come and give a brief discussion of my impressions of land use planning generally, because I do get around the country looking at State and regional government activities to

shed some light on just how land use planning might differ from other kinds of planning and decision making, and to offer some professional or technical approaches to planning which may solve some of your social and political dilemmas.

First a quick definition. Land use planning is in many respects just like other administrative decision-making processes, it tries to improve at least slightly on the process of trial and error or mere blind stumbling into the future. Thus, it involves the development and testing of alternatives against goals, but these goals cannot be stated clearly at the outset because the cost and benefits of people holding various goals aren't clear until planning proceeds.

For example, I'm working with a county now that has 105 written goals and policies and no one knows to what extent these conflict with each other or how they might play out on the ground. So, while they are all very nice policies, they are not having much of an effect on planning in the county.

So land use planning differs from planning in general in that it involves the classification of our land development activities into land use categories. And if you think about it, this is no mean trick. Much of the action in the land use planning field has to do with just how development activities are classified. For example, commercial forestry can be considered agriculture or it can be considered

industry, or it can be considered outdoor recreation, and so whoever gets to decide which activity is in which category is making a lot of decisions. I think this point is important because it indicates that the state, regional and local governments, all must participate in the formulation process of land use plans. That is, I don't think it's possible for the state to do one thing, pass it on to the regions and then for them to pass it on to the locals to do something. That is, the formation of goals is, as was pointed out earlier, a cyclical process. Land use planning also involved the designation of areas of land. That sounds like an oversimplification, but there is an awful lot of planning going on today, setting regulations, standards, rules and so on, which may or may not play out on the land in any one particular place. To me, land use planning is the kind of planning where one can go to a map and find out roughly what's going to happen where. Obviously, though, the grain of detail will vary with the level of planning so that you might have general broad scale planning at the state level with detailed site plans being worked out at the local level.

Also, land use planning involves at least the general intensity of development to be designated. That is, you don't have to say exactly what's going to go where and when it's going to go there, but you might specify at least how much is going to happen in a general way in terms of the intensity

of development so that people can understand the degree of change from existing conditions. People have to know what's being done to them by a plan and one way of doing that is to show early roughly how much development is anticipated.

Fourth, the implications of policies in land use plans are depicted at least in part in map form so as to portray implications geographically and to permit the identification of overlaps, conflicts and cumulative effects. In other words, the land use plan as opposed to other kinds of plans shows at least generally where development may take place, and it shows roughly how much land will be developed and it shows how land uses relate to each other.

The implication of this for the State are -- I believe that the state must participate in an active ongoing way in the development of the land use planning process. It must be involved directly in plan testing and evaluation, in the definition of terms, in the drawing of boundaries and in the redrawing of boundaries. And people know what boundaries mean when you drew them the first time. So that I hope that the state will become involved in a very active role.

Now, does this mean that the State is going to have to prepare a big zoning map like counties have? The answer to that from my point of view is absolutely not. Just because

the State participates in an active way it doesn't mean that you have to get in and do a detailed zoning map for State as a whole. The trick is to try to involve oneself in such a way that you strike a balance between a very general, flexible plan on the one hand, and site specific detailed kind of master plan on the other. And to answer the question of this dilemma of where to place oneself in the degree of fixedness of planning, I turn to the diagrams on the wall here. I hope the Senators can see from this angle.

This merely points out nine different approaches to planning, and they are strung out roughly in their order of pre state. That is, on the left we have methods of planning which are fairly general and flexible. On the right we end up with #9 as a master planning approach, a comprehensive plan wherein everything is fixed for all time. One can think of the old style city master plan with the red, yellow and green colors on it that showed for all time what was going to be houses, industry and so on. We don't do that kind of planning anymore but as a concept I'd like you to think of the continuing from very generally stated policies to an absolutely fixed master plan.

I'd like to briefly comment on each of these approaches, some of which are being tried by various states around

the country and give some pros and cons of each only to give you a hint as to how they might relate to state planning.

Number one, is policy planning. Here you try to state all of your problems and concerns in written words, and goals and objectives, and never draw a map if you can help it. Never try to be pinned down to exactly what's going to happen where but to merely achieve through the written work or through the written regulation. This can work both ways. Citizens can be lulled by high-sounding policies into believing that some good is being done, but on the other hand policy makers can be boxed in by adopting policies the implications of which they knew not. In other words, they saved the sand dunes and they save the cliff coasts and they save the brussels sprouts and they save the seismic safety areas and then they find out that there is nothing left for the Marine Science Center or for a university campus or something else which they feel is in the public interest. In other words, they have adopted twenty policies which have had a conclusion that they didn't understand. So policy planning is okay as far as it goes but it can mask potential conflicts and overlaps and it leaves one in the dark as to exactly what's going to happen in the future.

Second, resource standards, of course, you are very familiar with. Standards can be tailored to specific resource problems. We are most familiar, of course, with standards in the air and water field. The problem here, of course, is that it is extremely difficult to make trade-offs either between environmental problems such as air quality and water quality or trade-offs between environmental goals and jobs or something else. That is - the standards are adopted usually without knowledge of their implications for the economy, for jobs or for other environmental effects. The American Bar Association Committee on Industrial Siting, for example, has recommended that perhaps the land-use plan is the best way to integrate and make trade-offs between various standards and perhaps planning agencies should be empowered to raise or lower air and water quality standards in particular cases so as to make the best decision - that is to optimize in industrial site location.

The third, the incremental planning or impact statement approach, of course, you are very familiar with. California is spending a lot of time and money on impact statements. The common problems are, of course, that we can't project cumulative effects. It's not fair to the individual property owner or developer to bear the burden

- the complete burden of regional planning nor does one achieve the best use of the site. Just because an impact statement shows that this place is the best spot to put a power line, doesn't mean that is the best thing to do with that land. That land may be best used as a port but because there is no port planning activity going on at the time, it's not identified soon enough and the land gets turned over for utility use rather than port use. In other words, it is ^{an} impossibility to do regional planning using the impact approach alone. I'm making a study in the Colorado River basin of the degrees in which impact studies can be a foot in the door toward good regional planning. Our general conclusion there is that you can learn a lot from impact statements but they do not substitute for a regional viewpoint and they certainly fall short in the area of cumulative facts, regional facts, growth inducing problems and also good site planning.

Fourth, the specific constraints idea merely says that if you give me a problem, I'll map it for you and we'll play it out over the state. This is a way being used by a number of states. For example, areas of critical environmental concern put these on such maps. It is flexible. A large number of issues can be mapped.

You can have geologic hazard, seismic safety, flood plains -- you name it, I'll map it and we can get quite a large stack of maps. This approach is flexible and it is comprehensive. You can handle a thousand environmental problems using this approach. The difficulties are that if you get a fairly large stack of maps, no one knows what you have done to the region. It is possible to black out certain regions if you have a large number of problems or you may have unforeseen effects. The county of Kauai in Hawaii is using an approach somewhat of this kind and it is very difficult to forecast just what kind of development will or will not take place there because one has to fight his way through this stack of regulations before he can find out whether he is able to build on a particular site or not.

Five, land systems are needed because a stack of maps don't make a system -- that is we cannot know what we're doing to our regional environment merely by preparing individual maps against specific problems. So some states have gone in the direction of having professionals draw up zones which represent the natural capabilities in the natural interrelationships of the land. The best example in this field now is the State of Washington's coastline planning effort where

at the state level, land systems are defined and then passed on to local government with guidelines. For example, they say in sand dunes these are very delicate, shifting and move around a lot; therefore, you can build on only if certain regulations are followed. Again, this is a fairly flexible approach. One can tailor policies and regulations to particular types of environments. One can be tight here, tough here and loose and flexible over there because environments are different. The difficulties are that the boundaries are not simple to draw and I don't think it is possible for the state to say, well let's go the land systems approach - use the local governments, regional governments, get with this, draw up the boundaries and get on with it. It is a more complicated process than that and if we were to follow that line of thinking, there would have to be an active participation by the state in the description of these areas in the drawing of the boundaries and in the negotiation with local and regional government on the definition of these areas.

This approach is also being used in Florida, where - number six there - land systems map is being used to define various environmental areas in the state of Florida. They are running into problems with it there and if we were to adopt this approach, we could try to learn from the

Florida experience. The advantage here is that if the state were to map the land systems which it was regulating, then at least the local and regional governments know what has been done to them by the policies -- that is the regions can be written toward specific land systems. Atlas' are prepared at the state level and passed down to the regions and locals and anyone can look at the maps and realize what's being done to them.

Seven, is called a composite land capability map. All that is, is a professionally prepared map which says roughly how much you can build in various places. In other words, the state could pass down a map to the regional or local government that would say you can build a lot here -- say 40 percent land coverage in this area but over here you can have 3 percent. And, the reason the state says that is that they have gone through this whole rigamarole of the policies and standards and constraints and then they, the state, have professionalized all of this, turned out a planning document called a constraint map or a capability map and said you can do whatever you want in these areas but you can only build to this intensity. Now problems with this map are that, of course, a lot of the fun is in the drawing of the boundaries and setting the intensity -- that is your

assumptions can have a lot to say about what goes on somewhere and yet because it was done professionally, you may have made decisions internally that should have been made in the political arena - so it is an example of a fairly heavily prestated product where a lot of the decisions have already been made. The advantages of it though are that if a planning agency prepares a map like that, it's an excellent tool for infrastructure planning - that is if you give me, as a planner, a map like that. I can have an easy time of it putting in the highways, water supply, approving sewer grants and things like that because I know roughly how much is going to happen in any one area. So it is a very nice tool, in some ways, for a higher level of government to pass down to another. You see it needs some discretion. You don't care if they build churches or gambling casinos but they can only cover so much of the land and only serve a certain population. So it is sort of an interim level of specificity where you make some decisions but not all.

Number eight, two-map planning is the type being pursued at Tahoe. It assumes a continuing disagreement between environmental needs and economic and land use needs and it portrays these two approaches on two separate maps: one called land use and the other called

planned capabilities and then you have to fight your way through those two maps. I like this approach because it assumes that there can be continuing disagreement over time. It is an adversary planning approach, if you will. I can see a situation develop wherein maybe the State would develop say, a composite land capability map, the State could develop a general map, if you will; pass it down to a local government and then the locals prepare a land use map to overlay over that. So you would have the State doing one, the local government doing the other and then set up a process for negotiating or arbitrating between the two. It is the opposite of this sort of goodie, goodie Walt Disney master plan approach where you hope to get all the problems solved before you make the plan - sweeping a lot of them under the rug. It's an approach that recognizes differences of opinion and you allow different prospectives to represent their goals in the form of a map for comparison.

And finally, number nine, the master plan where all developments for all time are shown on the map and it is completely fixed. Differences of opinion are resolved before the map is made. It is clear, it is certain, it is predictable and it is also inflexible and of course, is presumptuous because it presumes that we are going to

decide today how land is going to develop for all time - so it is also called a utopian approach. It has been discarded as an approach by most city and regional planners but, on the other hand, I'm seeing a resurgence of interest in master planning especially by utilities and land developers who are so upset by the uncertainty in the planning field - that is, they are totally unable to project regional growth and what to do where that they are opting now for a more positive-fixed master planning approach just so they know where they stand. In other words, they are willing to trade flexibility in the future for certainty of investment today. Land developers, for example, love that kind of a map because they can go right to it and get an assurance today that their development will be allowed to proceed. Whereas, if a land developer is back under here, under four, under specific constraint map; he has to hire a bunch of experts, fight his way through a stack of maps, he may finally hit the last map, geologic restraints or something, that he has lost the ball game, so he has lost all his front-end monies.

CHAIRMAN PETRIS: I hope we can get the whole thing typed up. I think all the other committee members would be very much interested. Are there any questions

by the Senator?

SENATOR GREGORIO: Well, I don't think so.

CHAIRMAN PETRIS: We asked everybody about the socio-economic factors which, of course, are uppermost in our minds. Which one of those nine contains the most allowance for it, or does it fit into any of them? You are going on structure and approach. I realize that, but no plan is going to be effective if it doesn't take socio-economic factors into consideration. Can you make any comment as to that for us?

ROBERT TWISS: Right. I should add that there is no one best approach and I'm assuming that various levels of government could use various parts of this. I have, of course, emphasized the land part of land-use planning here and the use side needs further emphasis.

Two points: In a general way, I think you are going to have to drift more toward a fixed prestated, (I don't want to use the word master plan) but more fixed than you might like type planning. Go beyond mere goals, policies and guidelines so that the social and economic effects can be charted out; because if you just stick with the numerical regulations - eight parts per million here, nine million (whatever it is) there, nobody has the foggiest notion of what the socio-economic impacts can be. If

you can get to the point where you are at least up to Map 4 there, where you've got constraint maps, or you go to land systems by which an atlas can be prepared. At least other reviewers of your planning policy can look at the maps, see whether they are affected or not, and as reviewers, if not as co-planners, they can chart out the social and economic effects of your planning activities. So I am urging, I guess, a more of a map-oriented, place-oriented planning than you might have otherwise. Secondly, the idea of Map 8, or Approach 8, where you do have a separation between land capabilities and potential land uses; I would suggest as a way to go. It assumes this adversary process and I think there are, or can be, conflicts between land preservation and development. I would rather face it squarely and work with it over time in a useful process rather than try to produce a plan which will somehow solve all these problems for all time.

CHAIRMAN PETRIS: Thank you very much.

ROBERT TWISS: Thank you.

CHAIRMAN PETRIS: Now we have Mr. Carroll. Representing the Sierra Club is Mr. Kenneth Turner, who is pinch hitting for John Zierold.

KENNETH TURNER: Senators, ladies and gentlemen of the audience - I am Kenneth M. Turner. I am the vice

chairman of the Northern California Regional Conservation Committee with responsibility for matters in the area of regional government and land use. The official State population projections indicate a need to provide for an additional two and one-half to six and one-half million inhabitants of this state by 1990. The baseline projection increase of 5.2 million is 323,000 people per year to provide additional public services and facilities for. The State has a direct interest in these local services because it will supply much of the funding through grants, cost-sharing and other forms of aid. We the Sierra Club are interested because of the potential for adverse impact on our living conditions and the unique scenic and recreational resources of this state. In the absence of a statewide land-use plan, or growth-directing policy, the Department of Finance is distributing population to the 58 counties by birth, death, historical trend procedures. State agencies responsible for provision of facilities such as highways, water supplies, waste disposal, colleges, prisons, etc., such like that, should use these figures for planning and scheduling construction of facilities. If the baseline projection proves to be an accurate forecast of the population growth and distribution, twenty-two percent

of the population increase will take place in the nine Bay Area counties; and forty-six percent in five Southern California counties. Most of the sixty-eight percent increase would be in the five North Bay counties and four Southern California counties other than Los Angeles and I point out here that ABAG has a terrible problem - that they have accepted the Department of Finance's projection for the nine Bay Area counties but have reserved to themselves the right to distribute those people within the counties. Because of the severe air basin problem in the Southern counties, most of their population growth is projected for the North Bay counties and right now they have got a no-growth movement going in Marin County and Sonoma County and I wouldn't be surprised to see Napa County join in. The rhetorical question is, in view of the environmental stresses such as smog and traffic congestion - if you want to see environmental stress, step outside, take a look at the air and inhale deeply. Inability of local agencies to provide adequate liquid and solid waste disposal facilities, and the monumental works required to provide imported water, is it wise for the present metropolitan centers to continue to grow? Instead of accepting this projection, maybe ABAG should be saying please State of California

find some place else for these people to live.

An answer to this rhetorical question is possible only in the light of determination of the impact of population dispersion on agricultural lands, air quality and other important natural resources and whether or not there are suitable sites for new metropolitan centers. However, such information can come only from a statewide planning effort. At present, the Office of Planning and Research is geared to merely identifying areas of statewide interest to be protected from unwise use.

The OPR should be directed to identify areas that can accept growth with the least environmental deterioration or conflict with other important land uses. With this information the environmental assessment of the state budget contemplated in Government Code Sections 65030, 65032 and 65040(d) might actually be accomplished.

State and federal government has a tremendous power to stimulate local economic growth through capital expenditures. This is well understood by Chamber of Commerce types who regularly lobby both legislative bodies and administrative agencies to expand existing or to secure new public institutions and facilities for their area. Examples of environmentally questionable decisions of the past are:

1. University of California at Davis expansion to a general curriculum campus with consequent loss of prime

farm land to urbanization.

2. Linear accelerator location at Stanford University in the congested South Bay Area instead of on grazing land in Eastern Sacramento County in close proximity to El Dorado Hills and Cameron Park.

3. Financing the urbanization of the Lake Tahoe Basin through State and Federal grants and loans for sewage facilities to serve new developments.

The California Environmental Quality Act requires that Environmental Impact Reports identify and discuss the growth inducing aspects of proposed governmental actions. We recommend that proposals for expenditure of State and Federal funds that are found to be growth inducing be limited to areas where the impacts from the contemplated population growth is environmentally acceptable. In other words, grants would be made to clean up messes in impacted areas but State and Federal funds would be for new growth and would be limited to acceptable areas.

The Legislature should:

1. Amend the Office of Planning and Research Act, Chapter 1.5, Government Code, to require identification of geographical areas in which population growth is acceptable as part of the Statewide Environmental Goals and Policy Report, and

2. Direct the Legislative Budget Analyst to compare

the Governor's proposed capital expenditures with the then current State Environmental Goals and Policy Report in the annual publication "Analysis of the Budget Bill". With this information the Legislature could limit the use of state funds to facilities for existing population in impacted areas and provide funds for future growth in suitable areas. The former would slow the growth of environmentally impacted areas by making local investors pay the full cost of expansion. The latter would encourage growth in acceptable areas through economic incentive and timely provision of basic facilities.

Thus, growth would be directed by economics rather than confrontation, litigation and statutory regulation, as at present.

That concluded my written statement. I have a few comments to add which I jotted from your "Issues/General Interrogatories" sheet.

With respect to #1, the defining of areas of critical concern is essentially a "do not, though shall not" approach, setting up "Keep Out" signs. And people who need to develop land to provide for the growing population should have some guidance thereby telling them what areas appear to be most favorable for their future development. This role can be filled only by an agency who is looking at the whole state. Even our regions may be too small because it is very possible with this tremendous growth of the state that

is projected by the Department of Finance that a whole new urban area -- a third major urban area or Metropolitan center in the state of California may be required to absorb those five million people.

With respect to #2, again, the area of critical concern approach involves -- with the posting of "Keep Out" signs is something that the Sierra Club has been involved in since 1892. And our experience is that it results in frequent confrontations and endless arguments, tying down a great many people and great expense on both sides. A large part of this problem is that areas of critical concern are often not identified or brought to life until somebody actually has a concrete proposal to do something and by that time often they are very far down the road with their proposal.

The relationship between planning functions and the executive branches of government were essentially proposing that the budget process needs to give strict attention to what state spending will do to the environment as contemplated in the OP & R Act. State funds should be used to implement local, regional and state plans, and should not be available to those who would subvert them.

In commenting on regional agencies such as ABAG and others, I personally note an inability of these agencies to make hard decisions that would deny things to their constituents.

In functioning as COG's in processing grants, particularly federal grants, the withholding of approval of federal grants often results in threats of succession by their members. And while this might not be absolutely conclusive in the decision making, it does temper the decision making process.

TRPA I think is unique in that they have a peculiar double majority system of voting. They also have a clause in the Act that provides for . . .

SENATOR GREGORIO: What is TRPA?

TURNER: Tahoe Regional Planning Agency. There is provision in the Act which is presently interpreted to say that if the agency does not take action within a certain amount of time the developer can go ahead with its proposal. And this is really an approval by inaction clause that is currently being challenged in the courts. We hope that this approval by non-action can be overthrown but it is the very thing that has permitted the new casinos to be constructed up at Lake Tahoe.

On #6, I don't quite know what is meant by socioeconomic considerations, but, again, we see a need -- a role for government in providing facilities for the general public. Historically, the State has had a very large role in recreation, beaches, parks, historical things in providing facilities such as highways and so on, which are needed

by all of the people.

SENATOR GREGORIO: How about housing and jobs?

TURNER: Yes, housing and jobs are another role.

However, in carrying out these statewide programs there is a very real need to take care of the needs of these five million growth that I have referred to. The growth rate projected for the North Bay counties, as an example, I don't see how they are going to make^{it} without tremendous infusions of State aid. At the same time, I don't think the State should be financing environmental degradation. And this is why the State planning process really ought to take a look at where in the State of California is the best place for all of these people to live, whether they are rich, poor or whatever their interests are. Whether they are outdoor people, urban types or whatever. And to continue to pack them in to the present Southern California metropolis or the present San Francisco Bay metropolis, just doesn't seem to be the way to go. On the other hand, there are some very real dangers in spreading them uniformly over the landscape in terms of destruction of the agricultural industry -- eating is a very social problem. And so that somehow or another there has to be found an optimum development for all of the lands in the state for everybody. And I think that that can only be done at the State level. As another speaker said, in talking about local versus state, that

there is a state guidance role and local and regional planning agencies have a great capability for handling local zoning problems and handling their share of the total state action. But somebody has to be able to tell them what their share is. At the present time the Department of Finance is doing it by saying, "Okay, if nobody does anything, this is what's going to happen." And so they are going along with it saying, "Okay, what happens will happen and we'll try to cope."

As far as compensation mechanism is concerned, we presently have in our statutes procedure for condemnation. We have in the Civil Procedure -- court procedures, inverse condemnation. Most of the inverse condemnations that I have personally observed seemed to me to be zoning suits based on the proposition that real estate investors have a constitutional right to a profit. But at the same time stock market investors just swallow their loss and maybe shed a few tears and go on and place the next bet. I don't know that we really need much more than we have now. However, I would say in favor of the real estate people, that if the taking is so complete that it is in effect a public taking, then the public ought to pay for it.

These conclude my off-hand comments, are there any questions?

SENATOR GREGORIO: How do we get the Statewide Agency

that is capable and willing to look at the whole picture?

How does that come? How is it constituted?

TURNER: Well, you have statutes now that establishes such an agency in the Office of Planning and Research.

SENATOR GREGORIO: They have authority to do the job?

TURNER: Well, I think that the act should be amended. At the present time it is addressed to the problems of areas of critical concern which amounts to just putting up a whole lot of signs that say that you can't go here and you can't go there without offering to anybody a clue as to where to go.

SENATOR GREGORIO: No, what I'm saying is, if you determine that Sierra Foothills is the place to put that third metropolitan area, how do you get them there?

TURNER: You get them there by the device that I suggested in that you make the State financing in form of grants and loans for capital expenditures.

SENATOR GREGORIO: Mechanically in terms of the State decision making process, how do you . . .

TURNER: At the present time in the OP & R statute there is supposed to be a new State Environmental Goals and Policy Report every four years which is supposed to be a beacon of wherever we want to go in the State of California, environmentally. In addition, the Act provides for the State capital expenditures to be in light or in line with those goals and policies.

And these are presumed to mean that all State agencies that are making capital expenditures -- the Department of Highways, the Department of Water Resources, the Department of Education, the University system, all plan their capital spending in such a way that the statewide goals and policies be carried out. That if the University of California has to build a new campus or replace an old campus, do it in one of these areas that has been slated for growth.

SENATOR GREGORIO: Do you think that the decision making process is in the hands of the right people now? People with the right kind of incentives. We've heard all kinds of different suggestions about councils made up of either elected officials or officials representing regional agencies or appointed officials.

TURNER: The Sierra Club tends to prefer either appointed people . . .

SENATOR GREGORIO: At the state level?

TURNER: If we are talking about the state level, the Club really doesn't have a position on this issue.

SENATOR GREGORIO: Isn't that the way it worked?

TURNER: Well, at the present time the Office of Planning and Research is in the Governor's office. The Governor is an elected official. And we would hope that the voters of the state would be sufficiently environmentally concerned that they would elect a governor who would do

the right job through his Office of Planning and Research. With some experience under that Act, if the Office of Planning and Research were to really get geared up and do its job, then once we saw how this thing was working we might be able to see whether or not changes need making.

SENATOR GREGORIO: Do you think that that issue has been adequately developed in the gubernatorial campaign this year?

TURNER: No.

SENATOR GREGORIO: What I'm saying is, how do we focus on this decision-making level and how do we make it one that is most responsive to the clear need for a little more imaginative thinking and a little more space in terms of spectrum of considerations?

TURNER: I would suggest that first of all you direct the OP & R to designate areas in the state for growth. They are not presently directed to do so. Secondly, there is an odd aspect of that Act in that the Act as it was chaptered has sections 5 and 6 at the end of the Act which provide for the preparation of the State Land Use Plan. For some reason or another in being transferred from the Chapter into the Code those sections didn't get into the Code. I don't why. John Zierold our Sacramento Legislative Advocate, is attempting to find out why. I would see a

State Land Use Plan as contemplated in those sections as being an important implementation of the Act.

SENATOR GREGORIO: But, basically, you agree with the concept of having the policy-making power at the State level and the hands of an administrative agency that's basically under the control of the Governor?

TURNER: The plan as developed by the OP & R is subject to legislative review and we assume that we have some influence with the Legislature.

CHAIRMAN PETRIS: Okay, thank you very much.

Now, the Chamber of Commerce representative is here, Mr. Carroll:

JAMES CARROLL: Thank you, Senator, I have no prepared comments today.

We have been working with both Mr. Taber and Mr. Harriman in the last few weeks and one of the things that we decided when/were asked to testify today is just to tell you where we are and why we got there and then leave it open for you to discuss why our proposals are in the shape that they are. To back that the California Chamber of Commerce instituted through the Board of Directors the New Urban Planning Department in December of 1972. At that time they authorized the creation of a new statewide committee and we became operative in

April of 1973. So we haven't been around that long, but yet one of the primary goals of this new statewide committee was not to act as just the chambers vehicle for resolution of the land use planning process, but as the coalescing factor in the business community as well as those environmental groups that we could get together with and work. We recognize that we have reached impasse in this and that the struggling, the constant fighting and bickering was getting nowhere for anyone in this state. This great investor uncertainty has led to a tremendous outflow of capital from this state. So we felt that one of the primary things we should do is to attempt to resolve the whole spectrum of the planning question but that we'd have to take it on a step-by-step basis.

By May of 1973 we did process through the Chamber's Board of Directors our first policy statement regarding state planning and regional planning. And your staff has copies of our statewide general policies on that area.

We notice that AB 2144, the so-called Chamber bill -- and I'll explain that a bit, does not go to all of these questions and this is the reason why.

By August of 1973 we were prepared to tackle a number of issues and propose suggested legislation. At that time Assemblyman Priolo came up with his AB pre-print 1, which has been discussed considerably, and at the same time the

two Federal Land Use bills were making their way through the halls of Congress. First, Senator Jackson's bill passed out of the Senate and was over at the big house. We made the decision approximately on November of 1973, that rather than to go into a confrontation there, that the best vehicle was to use that bill, to work on it and to attempt to get it to what we felt was a good piece of legislation -- a viable piece of legislation. At the same time we were looking over our shoulders at the Federal model and what we felt would have to be in any state process. We recognized a number of problems. Throughout the months leading up to March of 1974, this year, we have developed through our own statewide committee suggested amendments to the pre-print. From that point we would then take it out to various and sundry organizations. We worked very closely with the realtors, with the railroad associations, with the water agencies, in other words, throughout the whole process. It was not just the Chamber developing a bill. Then in March Assemblyman Priolo had another set of hearings at which time he was developing a five-bill package. That did not receive very much favor either from our point of view -- well, from any group. So then, in May, Assemblyman Priolo felt that he had to get a vehicle out for discussion if he was going to have any legislation, so he came out with AB 2978. It received,

no support on its first initial hearing in the Assembly Planning and Land Use Committee. There were indications that it would be greatly amended when he could work with the Governor's office as well as the representatives of the Planning and Conservation League, with the Chambers of Commerce and other interested groups, Cattlemen's Association, etc. So that bill did pass up as a way of keeping something going. The reasons why we chose the areas that we have in 2144 is that we identify the areas of critical concern as something that is not a new concept. You gentlemen, are deluged every year with bills to do exactly what we are attempting to make an orderly process and that is the designation of areas of critical concern.

We just had another one done this year, that was the Suisun Marsh. So what we attempted to do was to say, "alright, now, how should this be done?" We'll have the key zones and we felt that local government should administer it within its jurisdiction but the guidelines should be state mandated. We didn't feel -- and this goes back to some comment this morning, we didn't feel that any particular bureaucracy or a new board should have that type of powers that would actually mandate the guidelines or the restrictions. We felt that this was a legislative prerogative, that you as our elective representatives are the ones who are going to pay the bill for

it, so therefore you are the ones that should really have the final say as to what the development restrictions should be. But then, from that point, those development restrictions would be subject to review by a state body and the restrictions would be developed in concert with local government -- having the Legislature enact the guidelines and have the actual administration by local government.

The other thing we wrestled with was the problem with coordination within the governmental structure itself, the state. We did not attempt to wrestle with regional government at all or the concept of regional planning.

Pragmatically we did not feel that we could make an honorable bill out of it and so we had enough trouble just trying to wrestle with the problems we had in that piece of legislation. So we didn't exclude regional planning considerations because we didn't want anything to do with them, on the contrary, I think they have a fairly good policy regarding regional planning but there is still a lot of discussion that needs to be done. And I think you people recognize that in the battle that we've had since 1968 on 2040. So we didn't try to attempt that, but we did feel that there were a number of conflicts within the state itself. I think you had two examples pointed out this morning, and especially

this afternoon vis-a-vis the Coastal Commission. Then after this we felt that we could not create a new commission or structure that was within a resources agency or anything like that. We had no difficulty with Resources but we felt that it had to be in the Executive Branch -- in the Governor's Office. We didn't feel that the Office of Planning and Research was really staffed up to doing this type of thing. Although they now have the Council for Inter-Governmental Relations, we felt it's a bigger job.

So what we said was "All right, how should this be handled?" There are certain conflicts. There are conflicts with a policy that you people have mandated upon the operating departments. So we needed a body that would be independent and yet still be within the Executive Branch. This was in the appointments section -- in the composition. So, this particular body would be able to identify the conflicts between various agencies. This is one of the reasons why we did accept the level of agency secretary as being the head of this body. In other words, an equal stature. So that the agencies with their operating departments when they identified conflicts between various departments, plans and policies this would go then to the newly structured Council for Planning and Inter-Governmental Relations. We didn't feel that they should have the power themselves to override operating departments. We didn't feel any State

agency should be preemptive over another, but this is a legitimate executive prerogative. So, therefore, we said that they would identify the conflict for the Governor to resolve, but recognizing also that sometimes you reach an impasse within the Governor's office itself, that maybe it might be statutory. We gave the time certain that in this case, we said, with 90 days, resolution will take place, then it would automatically go to the Legislature for resolution as a legislative recommendation. So that we felt that this was one way to start getting the comprehensive planning. And we are not saying that this is a comprehensive plan but is a first step towards comprehensive planning on the state basis. That's why we chose that.

The other major factor in this is that we felt that we've seen how the Coastal Zone Commission is operated, we feel that there are problems on minimal due process and processing of applications. We didn't want to get into that problem so we did a lot of work on the appeals procedure. So I think that you'll see that there is a pretty good thought in there, and candidly the model that we started out with was BCDC, is a very good model.

And then the last factor, and peculiarly enough, this was not the (unintelligible) so to speak, that we were looking for was the resolution from compensation.

You might wonder how we could develop a coalition package such as we did and still keep in a group such as the County Board of Supervisors Association. We notice that in the last amendment there is a definite distinction between local zoning police powers and state mandated legislative enacted development restrictions. The key to this is that we feel that there is a legitimate right for local government to exercise the police powers, which unless it amounts to inverse condemnation it is not compensable. Of course, many of us would like to see it compensated totally, but realistically you just would bankrupt the state if you did that. So that we took the step that if this is for the broader general public interest -- in other words, is not just specifically the community interest then that should be compensable. Because no particular individual, the property owner in this case, should have to suffer for the broader public interest. But there is another point to that. It wasn't just the property owner that was suffering in the development of the restrictions, as this may result in a tremendous loss of tax base. For example, one of the problems in the Santa Monica bill, the Berman bill, was considerable pressure by the people within the Las Virgenes Water District. They have a tremendous bonded indebtedness and if there was no

development there, they would still have to pay the bonds. So we are not talking about just property taxes per se, we are talking about how you handle this? So you have to increase the property taxes just to take care of the bonded indebtedness. We've seen it also come about in the Coastal Commission with this interim permit time where there was a tremendous loss of tax base because most of the values had been frozen, unless you've already built up with that permit zone. So that there has been a loss of tax base there and we feel that when it is in the statewide interest local government and probably taxpayers, they should not have to bear the full burden. So that if it's truly of statewide interest, or original interest, then we feel that there is a compensable mechanism that should be implemented.

As far as whether it should go through the Board of Control or whether it should be going through a state commission, we thought that these are the people that are going to have to estimate to you people when you go to designate an area of critical concern, so therefore they are the ones that should handle it.

I want to point out one other thing -- this bill is called the Chamber bill; it is not. In fact, we are not that happy with it ourselves. Mr. Harriman raised a question earlier about why did we exclude BCDC permit zone

in the Tahoe Regional Planning Agency? Gentlemen, it's perfectly normal when you are dealing with the legislative process and you have an executive branch with veto power, sometimes you have to trade off these things if you are trying to get a bill passed. A number of people in the administration were very concerned that giving the compensation mechanism there that we may end up having to sell the state to do what they want to do in Tahoe. So, that's why we did put in that exclusion. Ultimately, we feel that there will be no need for the single purpose agency such as BCDC and Tahoe Regional Planning Agency. We feel that this is legitimately a State function and in partnership with local government. Somewhere along the line there is going to be some kind of regional planning. We don't know what shape it's going to take. We don't feel that we want to say, "We'll wipe all this out but let's get some order and streamline this." Thank you.

HARRIMAN: Mr. Chairman, I'd like the record to reflect that I apologize to Mr. Carroll if I have misrepresented the bill as the Chamber bill. I apologize if I did do that.

CARROLL: Well, Richard, a lot of people see it that way. I just wanted to set the record straight. I don't think you need to apologize.

HARRIMAN: I'll tell you, the issue that I was concerned

about with this section here. I didn't understand why you would single out the Coastal Zone Commission as it seems as though they have similar problems as the BCDC and TRPA with regard to the compensation aspect or with regard to the kind of problems that you might have.

CARROLL: We were already doing it and we felt that you couldn't go in after the fact during the interim period. As you know, the permit zone doesn't exist, was the enabling legislation biased -- the whole language expires. So that we didn't want to get into the problem. Now it's been in the courts, it's been litigated and we felt that pragmatically we had to in order to get it through. And we felt that if we tried to set that compensation mechanism in right now and start paying for all of the moratorium, the interim permit zoning, that it wouldn't fly. Ultimately, we don't know what shape the plan is going to take. We've only seen three elements that have been subject to the hearing process and tentative adoption by the Coastal Commission. We don't know what you, the Legislature are going to do with it when you get it, and what the reaction statewide is going to be when you get it. So that we felt that this was the best compromise, let's exclude that at this time.

CHAIRMAN PETRIS: Thank you. Any questions?

SENATOR GREGORIO: The bill, of course, leaves out quite a bit, in essence. The regional role, as you mentioned, could we just review it a bit -- how do you see, first, the powers at the state level? Do you see them simply as designating, overriding kinds of consideration areas where possibly something should not be done at the local level? Do you see putting into the hand of state government the power to say, "things shall also be done at the local level." Talk about housing.

CARROLL: That's getting a little further than what our concept is right now, Senator, and quite candidly, I don't know how the members of my committee and the coalition would look at that.

SENATOR GREGORIO: Okay, basically you agree that the state should be able to say that "Housing will not be in certain areas -- development will not be in certain areas." But you don't know if the state ought to get into the business of saying, "there will be" say, "housing in this particular area and we'll take the following steps to bring it about."

CARROLL: Without being more specific on that statement I can't really give a good answer to it. We are very concerned that the free-market place continues. When we are talking about designation of what economic development will be in a particular area, the hackle has already spun in many of

our member companies.

When we are talking about what are we going to do about the problem of housing -- central city housing, core housing, I think you have to divorce that from the -- if you are asking the question for a response from me is...

SENATOR GREGORIO: It may appear at the regional or at the state level that it is very appropriate to have housing in a particular area, but the locality may not want it. Now, how do you address that problem?

CARROLL: We were prepared to if found (unintelligible) in the Petaluma case. We don't feel that there should be all (unintelligible). Whereas going to the question that you just raised, we have just sent out interrogatories ourselves on this particular question, and we are trying to develop policy on it ourselves. And I think it would be presumptuous for me to speak to Chamber policy when we have none at this time.

SENATOR GREGORIO: Will you let me know when you decide which? It's a pretty basic question.

CARROLL: I know it is.

SENATOR GREGORIO: Thank you.

CHAIRMAN PETRIS: Okay, thanks very much.

Mr. Tim Leslie of CSAC.

TIM LESLIE: Mr. Chairman, Senator Gregorio, I had some preliminary stuff to get into the guts of my program, but I realize that I'm just about the last one to speak today so I'm going to cut out all of the transition that would get me where I want to get in the meat of my testimony, so if it's a little rocky getting into it, you'll understand, but I don't want to take anymore time than necessary.

As you could assume, I guess, CSAC has land use policies for coastal and for the federal bills and so forth, and right now we are in the process of bringing all this together and putting it into a comprehensive statement which hopefully will not be too long in coming. This last year we had our Policies Committees' meetings quite frequently and we spent a great number of hours with our people developing policies that would deal with this question of the designation of areas of statewide concern. And so, what I think I would like to do and I think it will help to speak most correctly to some of the earlier testimony that I heard this afternoon, is just go through this very brief but substantial six-point policy that our people came up with.

The first two items of it -- I'm afraid you're going

to say -- "Well, there's the old motherhood traditional-- what we would expect the county supervisors to say -- statements." And I'll confess to that because every good six-point policy has to have at least two points of motherhood to get it started. But the first one is that local government is the level for government closest and most responsive to the people and should retain primary responsibility for basic decisions of land use. Now, that is our traditional motherhood policy, but on the other hand, I don't think we feel we need to apologize for it because I think it is the consensus of our supervisors that land use planning should be done primarily at the level closest to the people, which is, we believe, our general purpose local government entities -- counties and cities. So pardon the motherhood, but we still stand by that statement.

The second motherhood statement is, I guess, the recognition of the interrelationships between social, economic and environmental concepts. In fulfilling this responsibility, local government must be primarily concerned with balancing the need for research development, continue our economic and social well-being and approving adequate restrictions on those activities which would unnecessarily and unreasonably damage the environment.

So this is just, as I say, a statement recognizing this interrelationship which obviously does exist.

Now, we get into the goodies, and you may perhaps think we haven't gone very far in taking a step forward, but if you dealt with our organization on a day-to-day basis, you might see this as a very significant step in a different direction for the County Supervisors Association. It took about ten months to come about -- all of this policy analyzing by our members. Well, what it says is that local government recognizes that state government has a legitimate interest in proper land use planning and utilization of those lands which are of critical statewide environmental concern. The state interest should be strictly limited to those lands designated to be of statewide environmental concern.

Now, the important point, you probably recognize that it's fairly well restricted what we think the state role ought to be. We've said "critical" which narrows it, and then of "statewide interest" which narrows it, and then we've added "environmental" which narrows it further. But the point, I think, here that I would like to emphasize is that our Association has, to my knowledge, for the first time come out and said that we recognize that there are lands that are of such unique importance that

the protection of them really does transcend the local agency itself, that there are lands of statewide concern. And I think that this implies, at least, that the state has a responsibility to designate what these lands are and certainly it is within its prerogative to insure that the statewide interest is protected.

Now, this ties in closely with the next point of this policy, and that is that the state shall concisely determine the precise statewide interest in each designated area of critical statewide environmental concern and its participation in land use decisions in these designated areas shall be strictly limited to insuring that defined statewide interest is protected at the local level.

What we are saying here is that there are lands of statewide concern. Of the 58 counties and 411 cities, we can't tell the state what lands are of statewide concern. You have to do that -- the State Legislature or the State Government has to say, "this land is so important that it is of statewide concern." We think you should do that. And we think that you should not just say "Agricultural lands are important, forest lands are important", in those broad, general terms. We think you should define precisely what the statewide interest is. You have delegated to local government, counties and cities the

responsibility for land use decision-making. What you're doing here is taking back some of that responsibility. You are creating a mechanism if you decide to identify these lands as of statewide concern, but if you are going to take this responsibility, you should be precise in defining specifically where these lands are--designate them. And then, beyond that, say specifically what the statewide interest is, so that if your interest is in a certain marsh area, for example, so as to protect the green spotted tree toad--or whatever it might be--then this is what you should say. And this is the state interest in that land, and this is what you should be certain is protected. And it's kind of a negative versus positive review authority that I'm talking about. We think that it's of statewide interest to protect the spotted-tree toad, but we should not be allowed then to permit something that would violate that state-defined, precisely defined, interest.

On the other hand, we, meaning the local governments and the people that own this land, ought to be able to do whatever they want in the city and county plans as long as it doesn't violate that interest. This would contrast with a system that we would have to come and say, "Well, we want to do something with this land; is

it all right?" Rather, we should come to you and say, "This is what we are doing to the land, this is how it protects whatever that defined interest is", and then you would be able to say, "Now, wait a minute, that doesn't protect it, or it does protect it."

And, the, corollary to that point No. 4, any regulatory activity necessary to preserve the determined statewide interest shall be carried out by local government. Counties and cities, in the sense of land use planning, are also already delegated--counties were created to implement state programs at the local level--that's our primary reason for existence, we do it for your courts, your welfare, your whatever you want to name. Most of our services are those state programs being carried out by counties at the local level. We can do it for land use, or for whatever else you designate, and we have to, we don't even have a choice. You tell us to do it, we have to do it.

The problem in the past has been that the state has never defined what lands it wants protected or what its specific interest in these lands are, and then maybe people or the state or others who could be critical of local government for not having protected the state interest, the statewide interest in the coastline, for

example. The state never, ever defined what its statewide interest is in the coastline. There wasn't a single word on any piece of paper that said, "This is the state's desire for the coastline." And yet local government was severely criticized for not having protected the statewide interest in the coast. So what I'm talking about here, in essence, is where you would define it and we would carry it out.

And then the next to last point was: In determining these lands of critical, statewide environmental concern, there should be created a mechanism which insures significant local involvement through meaningful state and local partnership. By this--and this is where we weren't particularly happy with the so-called "Chamber Bill" or the group bill--and that was, we didn't think it had enough local involvement members on the State Commission from cities and counties, or whatever.

And then, finally, that adequate financial resources shall be provided to insure that local government has the ability to carry out the state mandated program, and this is simply a recognition that this is a state concern. The people in the Central Valley as well as the people in Eureka as well as the people in Imperial County have an interest in that land, the Legislature has defined

that interest. Then, it is all their responsibility to pay for that; it isn't the responsibility of the property taxpayers of the particular county where it's located. This is one of the problems with the coastal situation right now. Assuming that there are some financial consequences to their permitting process, or their planning process, the people in that one county have to pay for that, even though the reason that all of this is taking place is that it was determined by the Legislature that this is of statewide concern now. And shouldn't all of the people in the state being helped, help to pay for the statewide concern rather than just the people in that strip?

So that's our six-point policy and, as I say, we're taking notes, we're trying to mold it with our other policies and have a more comprehensive one.

CHAIRMAN PETRIS: Maybe you can send us, if that's developed further and reduced to writing by the Supervisors Association, you would hopefully send us a copy of it?

MR. LESLIE: Right, and I have ⁱⁿ a little more orderly fashion what I tried to say here today that I'll send to the Committee.

CHAIRMAN PETRIS: Fine, thank you very much. Now,

we have three unscheduled witnesses. The first one is Mr. Katsikaris of the Independent Taxpayers Union; Mr. Edwards of Murphy-Pulice Associates in San Francisco; and the third one is Mr. Charles Frank of Sacramento County.

MR. DICK EDWARDS: My name is Dick Edwards. I'm with Murphy-Pulice Associates of San Francisco. We're planners and engineers. I came here intending to listen and not to talk--although I like to talk. There were two points that occurred to me which are my own notions and don't reflect the views of my organization or the clients for whom we work.

One of the speakers this morning, I believe it was the Mayor of Hayward, commented that it often happens that land developers tend to develop land which is outside of the normal area of development with the result that there is an awkward extension of utilities, a gerrymandering of boundaries and an unfortunate environmental effect, which is true. The reason, normally, historically, is that it is economical because the developer buys whatever land he can buy which will produce a practical return like any other investment. And the leapfrogging continues because land steadily increases in value and makes it more difficult to make a profit.

Now, I should mention that I've been in the land use planning business for quite a few years, twenty or so, and I've been aware of these problems, the problems for which you're looking for an answer. I don't have an answer, but I know that there are a couple of factors which might be useful in helping you in arriving at an answer.

About ten years ago the vast majority of the people who I was doing consulting work for were individuals or small groups or small organizations who were developing land with private capital. Five years ago perhaps 90 percent of the people I was working for were huge corporations who had the kind of money that it took to do this. Today there are very few people developing land at all with private capital, in this area at least, and the only area I'm really familiar with, but all the organizations that I have contact with who are in the same sort of business are in the same position. They find that there's very little land being developed with private capital and the reason is, of course, that--part of the reason has to do with the increasing costs of developing land, and part of that stems from the controls which have been effectuated. I should say that I'm in complete support of the philosophy that has led to the legislation

that we have in California as well as in some of the other states and the national legislation as well, even though it tends to put me and my organization on the endangered list. I am convinced that ^{with very} in a few more years there will be no more private capital development of land at all in the state of California.

What this suggests is--well, the immediate alternative today there's a form of joint operation between private capital and governmental agencies of some kind, but even that hasn't been noticeably successful where it's been tried. And I have a feeling that the end result of this will be that whatever legislation this committee comes up with and whatever kind of a commission is established as a result, it is likely to be dealing with a different type of development than that which has historically occurred in this state.

I believe that Senator Petris commented to, or inquired rather of one of the speakers this morning, I have forgotten who it was, whether he thought that had there been this sort of legislation, this sort of commission in existence in the '50's at the time that the rather notorious land boom occurred in California and had it been effective, perhaps would that sprawl not have occurred. The answer is yes. And the second

part of that question was: Would that have been a good thing? The answer to that was, yes.

Well, I think that the correct answer to both of those questions is "maybe", because there is no way of knowing what the effect would have been had there been this level of governmental control in 1950. Land development was done in a different way in those days, some of it was good and a lot of it was bad, but in any case had there been the degree of control on land development that exists today and that well should exist in the future, the whole thing would have been different and there's no way that we can look back and guess what it would have been.

The second point is one which has been growing for quite a few years and it kind of stunned me when it struck me not too long ago that the official structure of most jurisdictions, and in that you can include the supervisors within a county or a city where these things normally occur, the supervisors, the county planning commission and the commercial interests, the chamber of commerce as well, in most cases the firm policy of that official structure is in direct contravention to the interests of the people who live in the jurisdiction. And the implication of that is a little bit scary.

The question was put to another one of the speakers this morning: What will California be like in a few years, an undetermined period of time in the future and what will the people at that time have to say about what we do now? And the implication of what I just said is to some extent, at least, that whatever we do, future generations may wish that we had not.

And that's all I have to say.

CHAIRMAN PETRIS: Thank you, very much. Mr. Katsikaris. Mr. Katsikaris represents the Independent Taxpayers Union of California of which he is President.

When he concludes, we have one more that we know of, which will wind up...let's see, Mr. Frank, is he present? We will call on you a little later.

MR. DIAMANTES D. KATSIKARIS: Mr. Chairman, I have never had the opportunity to have any documentary to bring the whole story here, and at your convenience, I'll take the document and mail it.

CHAIRMAN PETRIS: That's all right. You can submit anything later on.

MR. KATSIKARIS: According to the hearing today, I heard a lot of things that this is (unintelligible) to come up here without any real power and apply this (unintelligible) commission here. Now, you got over

about this adjective like the ABAG, the Metropolitan Transportation Commission where they were turned down by the state two or three times and besides they were (unintelligible) the rest of the testimony.

CHAIRMAN PETRIS: How long ago did you write to them?

MR. KATSIKARIS: 1967 (unintelligible)

CHAIRMAN PETRIS: We will be glad to receive any of those documents that you want to send on.

MR. KATSIKARIS: Well, the document that was reviewed before Sacramento, like this that I sent to ABAG to answer for that money, I took them down here and the Board of Supervisors and I'm going to send copies of that like I did for the Public Utilities Commission where they were shaken when they saw that letter, when we had all that big fight for three years.....

CHAIRMAN PETRIS: Okay. Thank you, thank you very much, Mr. Katsikaris. Now, we have Mr. Frank representing

Sacramento County.

MR. CHARLES FRANK: Mr. Chairman, I apologize for requesting a spot on your agenda so late in the day, but several points were brought up earlier this afternoon that had not been followed to a logical conclusion and I think that they should be before this meeting of the subcommittee adjourns.

CHAIRMAN PETRIS: Do you represent the county?

MR. FRANK: I am representing the administrative planning and legal staff of the county. The Board of Supervisors of the County has taken no position on this matter as yet, and they will not until they see a Bill that they'll react to. We have had several sessions of county staff, meetings of the county staff to discuss the issue in general and in response to the preliminary information your subcommittee has sent out.

We recognize that a broader state role in comprehensive land use planning is both necessary and inevitable, but from a local point of view we think that's probably an advantage because right now we have a state planning process whether we like it or not, the de facto planning process carried out by single purpose state agencies.

And in recognition of this situation, we would offer several proposals.

First, it doesn't seem that anyone here has really defined the purpose to state planning to date. We're talking about organization, an agency, and a process without defining the purpose and identifying the problems that a state agency should be resolving. We think that there are some voids and inadequacies in the current land use planning process that can be most effectively dealt with by a comprehensive state planning agency. And there are three of them.

First, of course, is coordination of state activities affecting land use and that's received quite a bit of attention today. That's the first item of business in any state planning legislation to get your own house in order because there is that problem right now. There's conflicts between single purpose transportation planners, water planners, air planners, and we, the local agencies, are the ones who bear the brunt of that.

The second area of concern that has also received quite a bit of discussion and that's areas of statewide critical concern. And I think it's evident that local government agencies, as evidenced by the League of Cities presentation and CSAC, are willing to accept state

intervention in areas of critical concern, but they are concerned about the details of it. They want to know what it means, they want some definitions. We're concerned that the areas of critical concern and discussion of those areas has been limited to physical factors today, and we think that areas of critical concern ought to include economic factors. For instance, in Sacramento County we have areas which are not prime agricultural soils, but which are highly productive soils, uniquely suited to a single crop--rice, class 4 soils. It's an economic significance, it's something of statewide significance, and under any criteria we've seen thus far developed by the State Environmental Goals and Policy Planning report or anywhere else, these areas would not be protected by the state.

And third, and final area, where there are inadequacies in the current planning process, one that's just been briefly touched upon and not followed to any conclusion today, is the question of population distribution versus resource distribution. I was unhappy that Professor Twiss did not follow up the question that Senator Gregorio asked him regarding where socio-economic factors fit into this process. This process is socio-economic factors. The planning on the basis of resources

is economic planning, it is social planning. It is not just physical, environmental...I would define very broadly to include socio-economic concerns. We feel that sound land use decision-making would demand that these land, air, water resources available to a particular area be inventoried, and the most supportable land use decision, at least in newly developing areas, would be the one that takes advantage of the opportunities and respects the constraints presented by the resource situation. Gross land use decisions should be made on this basis with economic, social and political considerations then applied to this base to yield more specific land use decisions.

This state now has a de facto population distribution policy, even though the state refuses to recognize it as such, for instance, it is a de facto policy of statewide water planning to encourage the continuation of present trends in population distribution by removing constraints to the present resource distribution situation. And that is a very conscious policy of the state. They do have a policy in population distribution, and that's a policy which is at cross purposes with policy of other single purpose state agencies. The state water project sends water to the L.A. Basin, the L.A. Basin doesn't have enough air

they can't import air.

The question of population distribution vis-a-vis resource distribution deserves consideration by an organization which can transcend the narrow concerns of those single purpose state agencies and the jealousies among local agencies. And I think this is a very important point, well, it's certainly the most controversial point that state planning would ever get into, I think, because it's an untested thing, it's something that local government doesn't want to tackle itself. But maybe that's just why the state needs to look at it a little more closely.

As far as the definition of a state planning agency, we don't feel qualified to state whether a state planning agency belongs in the Executive or Legislative branch. Our own selfish concerns would dictate placing it in the Executive branch. We don't feel we stand a chance with the legislature, being a northern California county, maybe in the Senate, but not in the Assembly. If real gut decisions have to be made, in population distribution, for instance, by the legislature, we can predict how those decisions would be made.

The state planning process, however, we do have some feelings about. Nothing in the state planning

process should be designed to affect anything but those areas that are defined in the purpose of the state planning process, those problems that are identified, the three we mentioned, for instance, and others that you may define for yourselves. And we offer several processes which I'd be glad to send to you later regarding and affecting areas of critical concern, but I'd like to concentrate just for the time being on the subject of population distribution and very briefly.

It would, of necessity, be a very complex approach. We feel that, first, the Legislature should define regions of the state based on the factors of economic and social identity of communities and natural restrictions such as water and air basins, a combination of factors, and come up with some different definition of region than we have today. Sacramento County, for instance, is part of the Sacramento Regional Area Planning Commission. We would envision a true state regional agency designated by the state be much larger than SRAPC.

The criteria that would be developed then in the legislation would direct, whatever the state planning agency is, to develop regional population holding capacities for every region in the state based on the constraints in the resource base within a region. Then

the population distribution plan, which would be developed by the state planning agency, would only be developed with public hearings, participation by individuals at the local level. We feel one area where this has worked very successfully is in the Environmental Quality Act. The legislation is specific enough that it is flexible, and the Secretary for Resources holds public hearings, and he has to solicit public input, and he tries to toe the middle line, so to speak, because he has two very divergent groups that he has to please. He won't completely please both of them, but I think he does an admirable job because the Legislature was specific enough in their mandate, but flexible enough, so that he can meet changing circumstances.

The agency, in developing the population holding capacity for each region in the state could utilize information that they had already developed in the process of identifying the critical areas of concern, and after the public hearings, we suggest that the plan be ratified by the government, that no appointed official have any final authority over a plan like this. It doesn't really matter, an organization in the form of the Z'berg Bill might serve just as well, where it was actually a board or commission which would ratify a

plan. We are concerned though about the legislature ratifying the plan.

The third step in the process would be the development of the regional agencies, the setting up of regional agencies, whose boundaries would be defined by the legislature in the enabling legislation, or mandating legislation. The local member agencies would develop a staged population distribution plan based on ten-year increments within the region and the state would have absolutely no role in that except as it may affect areas of critical environmental or economic concern. The distribution of population within the region really is a matter of strictly local concern, and this is where the things like Petaluma, or furthermore have to be dealt with if those agencies don't wish to absorb their share of population, it may be that there are other agencies that have carrying capacity within a region who would want to absorb it, and therefore their policies would not be exclusionary, which they're termed today, that there would be a place for those people in the region. There's always going to be some agency that wants them. It may be also that an agency is being too unreasonable to the point where it would be harming other local agencies within the region, and the other

local agencies might require that agency to absorb the population whether it wished to or not. That's a possibility, we don't know, it would depend on the details of the legislation which is worked out.

The state's population distribution plan is extremely important. We would expect that the state planning agency would develop a holding capacity, an open-holding capacity based on the resources, that the regions would develop a staged distribution plan on the ten-year increments so that the local agencies could predict where they were going to have to make financial expenditures for capital projects, etc., for a known definite planning period.

The regional population distribution plan then would automatically be ratified by either the state planning agency or the Governor if there was no disagreement among the local agencies about the distribution plan. If there was disagreement, that would be submitted to the state planning agency for public hearing, and he would make findings and send that on to the Governor, and the Governor would adopt those findings or an amended population distribution plan for a region. Now this would require mandatory membership in a region, and because it is mandatory, we would not like to see appointed

officials be the representatives to the region; it should be locally elected officials. The only reason that it would be mandatory is for the purposes of the population distribution plan. There would be no other element of the regional planning process which would be mandatory upon local agencies. But to work the population distribution plan does require mandatory membership.

Under this process I think that local agencies would be allowed to carry on land use planning that's responsive to local needs as they've always tried to do and have not always been successful in essentially the same manner as they do now. The statewide interest would be protected. The state agencies would stop working at cross purposes. The ridiculous waste of resources that goes into agencies working at cross purposes would be ended. All state policies through the state planning agency's coordination of other state agencies, their policies relating to land use planning, would encourage financial and human resources to be funneled into areas that the state population distribution plan indicated they should be funneled into.

The question of economics, or it really is a question of windfalls and wipeouts as was mentioned this morning, is not something that we're prepared to deal with, but

I would only pose one question. Does the state bare any more responsibility for wipeouts than the local agencies do at present? If the state becomes involved in the land use decision-making process, are they creating a wipeout situation? They're not. The wipeout situation exists now. The state may be changing who is wiped out and who gets a windfall if they are involved in the process at all. And if it is inevitable that the state is going to adopt wipeout legislation, that's only half the story. It has to be accompanied by windfall charges, and ideally the arrangement would be that a fund would be set up--I think someone mentioned this morning--which would be funded by persons who are beneficiaries of windfalls, and those funds would be used to compensate persons who were wiped out, so to speak.

Now there is another financial aspect for all of this, too, and not related to windfalls and wipeouts, but it is related to the areas of critical concern, critical statewide concern. The state has already set a precedent through open state subventions for reimbursing local agencies where the state has defined agricultural areas as being important to the state and has allowed them to go into the Williamson Act. We

think that the same thing ought to be done in areas of critical statewide concern if they are established, that there be a subvention to local agencies which depend primarily on the property tax dollar to replace any income that they may lose.

Finally, one problem that we found last year, and we're one small county, or one gorgeous urban county, and even with our staff which compared to other counties, most other counties, at least in central California, is considerable. It's very difficult for us to review bills like preprint AB 1. There's something in a bill like that for everyone to disagree with, and we really feel that's a mistake to propose very comprehensive bills, theoretically that's the best way to do it--a comprehensive bill--but it would seem to us that the legislation would stand much more chance if it were broken down into logical elements, the function or purpose of state planning, organization of state planning, the state planning process or elements of the state planning process, and each of those bills considered separately. It would help us in reviewing a bill, we would be able to understand exactly what that bill would do. And I think it would aid in whatever the committee's objectives are also.

CHAIRMAN PETRIS: Thank you. This concludes our meeting. Thanks to everybody who came in and participated with us.

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